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In the Supreme Court of the United States

OCTOBER TERM, 1963.

No. 505

COMMITTEE APPOINTED BY THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY, OHIO,

Petitioner,

vs.

BATTELLE MEMORIAL INSTITUTE,

Respondent.

PETITION FOR A WRIT OF CERTIORARI
To the Supreme Court of Ohio.

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In the Supreme Court of the United States

OCTOBER TERM, 1963.

No. ---------

COMMITTEE APPOINTED BY THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY, OHIO,

Petitioner,

vs.

BATTELLE MEMORIAL INSTITUTE,

Respondent.

PETITION FOR A WRIT OF CERTIORARI To the Supreme Court of Ohio.

Petitioner (a Court Committee), prays that a writ of certiorari issue to review the Final Judgment of the Supreme Court of Ohio entered in the above entitled case on July 3, 1963.

CITATIONS TO OPINIONS BELOW.

There were two cases presented in the Court of Common Pleas of Franklin County, Ohio. The first was identified as Case No. 196,819 and was brought by Petitioner against Respondent charging Unauthorized Practice of Law. The second, a companion case, was identified as No. 197,718 and was brought by Respondent as a Declaratory Judgment action against members of the Unauthorized Practice of Law Committee of the Ohio State Bar Association, seeking a declaration that Respondents' acts were not the Unauthorized Practice of Law. The two cases were consolidated for trial and were treated as one case in the Court of Common Pleas.

The opinion rendered by the Court of Common Pleas in Case 196,819 has been published in 127 U. S. P. Q. 289, and is printed herein at page 1a. The opinion of the Court of Common Pleas in Case 197,718 has also been published in 127 U. S. P. Q. 547, and is printed herein at page 24a.

The Journal Entry in Case 196,819 is printed herein at page 20a, and the Journal Entry in Case 197,718 is printed herein at page 34a.

An appeal was taken to the Court of Appeals in each of the foregoing cases, and again the cases were consolidated, with a single opinion being rendered for both cases. It is reported at 133 U. S. P. Q. 49 and is printed herein at page 38a. Case No. 197,718 was identified in the Court of Appeals as No. 6704 whereas Case No. 196,819 was identified as No. 6705.

The Journal Entry in Appeals Case 6705 (CCP Case 196,819) is printed herein at page 55a, and the Journal Entry in Appeals Case 6704 (CCP Case 197,718) is printed herein at page 55a.

An appeal to the Supreme Court of Ohio, together with a Motion to Certify the Record, was filed in Case No. 6705 but none was filed in Case No. 6704. The judgment of the Supreme Court of Ohio dismissing the appeal was entered on June 12, 1963, is reported in 175 O. S. 132 and is printed herein at page 56.

The Order of the Supreme Court denying Petitioner's Motion to Certify the Record was entered on June 12, 1963, and is printed herein at page 56a, and the Order Dismissing the Appeal is printed herein at page 56a.

The Order of the Supreme Court of Ohio denying Petitioner's Motion for Rehearing was entered July 3, 1963, and is printed herein at page 57a.

JURISDICTION.

The judgment of the Supreme Court of Ohio, dismissing Petitioner's appeal, on the authority of *Sperry v. State of Florida ex rel. The Florida Bar*, 373 U. S. 379, 83 S. Ct. 1322 (1963) was entered on June 12, 1963. A timely Petition for Rehearing was denied on July 3, 1963 at which time the judgment became final. The jurisdiction of this Court is invoked under 28 U. S. C. Sec. 1257(3).

QUESTIONS PRESENTED.

1. Where a corporation has no Federally vested right to practice before the Patent Office, in view of the fact that the corporation has not been registered to practice before the Patent Office, does the recent decision of this Court in *Sperry v. State of Florida* render the corporation immune from State regulation of the practice of law for others relating to patent matters?

2. Has Congress so preempted the field of patent matters as to deprive the States of jurisdiction over parties who are not registered to practice before the Patent Office?

3. Even if a non-registered corporation does have a vested right and even if the field is preempted, as to parties not registered to practice before the Patent Office, does such vesting and/or preemption extend to acts of the corporation beyond the preparation and prosecution of applications, so as to include the drafting of legal instruments and giving legal advice to others concerning issued patents?

CONSTITUTIONAL PROVISIONS, STATUTES AND REGULATIONS INVOLVED.

The Constitutional provisions involved are the Patent and Copyright Clause (Art. I, Sec. 8, CL. 8) the Necessary and Proper Clause (Art. I, Sec. 8, Cl. 18) the Supremacy Clause (Art. VI, Cl. 2) and the Power Reservation Clause (the Tenth Amendment) of the Constitution of the United States. They are printed in the Appendix hereto at page 57a.

The statutes involved are Sections 31-33 of the Patent Act c. 950, 66 Stat. 792, Sections 31-33, 35 U. S. C. Sections 31-33. They are printed in the Appendix hereto at page 58a.

The federal regulations involved are Rules 31, 341-348 of the Rules of Practice of the United States Patent Office in patent cases, 24 F. R. 10332, 37 C. F. R. Sections 1.31 and 1.341-1.348. They are printed in the Appendix hereto at page 59a.

The State Statutes involved are Sec. 1701.04 and Section 4705.01 of the Ohio Revised Code. They are printed in the Appendix hereto at page 67a.

HOW THE FEDERAL QUESTION IS PRESENTED.

Conflict between Federal regulation and State police power was raised in the Court of Common Pleas by the pleadings, in Section 11 of Respondent's Answer, printed herein at page 69a, by Respondent's Assignments of Errors in the Court of Appeals printed herein at page 68a, and as indicated in detail in the following Statement of the Case.

The question was decided favorably to Petitioner by the Court of Common Pleas, but adversely to the Petitioner by the Court of Appeals. The question was argued in the

Supreme Court of Ohio, prior to the decision by this Court in the *Sperry* case, but the ruling was withheld pending the publication of such decision. The Supreme Court of Ohio then based its affirmance of the Court of Appeals decision upon the holding in the *Sperry* case.

STATEMENT OF THE CASE.

This action was commenced upon application to the Court of Common Pleas of Franklin County Ohio by a committee of Ohio lawyers, appointed by that court with instructions to make an inquiry and investigation as to whether persons, firms or corporations are engaged in the unauthorized practice of law in Franklin County. The application charges that Battelle, although not qualified to practice law, and not admitted to practice law in Ohio, nevertheless engaged in the practice of law by the performance of acts stated in the application, as a result of which, request was made that the Court issued an order restraining and enjoining Battelle from engaging in the practice of law.

Respondent is a non-profit corporation organized under the laws of the State of Ohio and having its principal place of business in Columbus, Franklin County, Ohio. It was organized to conduct scientific research, and has been engaged in such business for itself, for the United States Government, and for clients (called sponsors) engaged in private industry. The complaint of unauthorized practice of law is limited to acts which have been performed in connection with such "sponsors" and to acts pertaining to (1) the preparation and prosecution of applications for patents and trademarks and (2) the preparation of contracts and the giving of legal advice pertaining to infringement of issued patents.

Because of the possibility that research of any kind might and often does include the possibility of a new invention and the obtaining of a patent thereon, every employee of Battelle, before being hired, is required to sign an agreement which obligates the employee to assign any and all inventions made by him to Battelle.

Every agreement with an industrial sponsor refers to Battelle's agreement with its employees, which requires them to assign their inventions to Battelle. The sponsor agreement contains a provision that if an invention is made during the course of the research on the sponsor's project, Battelle will notify the sponsor of such fact and permit the sponsor at its election to have an application for patent filed thereon, and all rights to the invention assigned by Battelle to such sponsor. If the sponsor does not elect to exercise its option, Battelle remains the owner of the invention and has the right to file application for patent thereon but without charge to the sponsor. Where, however, the sponsor elects to take an assignment of the invention, the sponsor has the option of permitting Battelle to file and prosecute the application for patent through the patent section of its legal department, or of filing and prosecuting an application for patent through counsel of its own choosing.

The members of the legal department and of the patent section of Battelle receive their entire compensation in the form of salaries from Battelle, and where the patent section prepares and prosecutes applications for patent the expense thereof is charged separately to the sponsor and is billed by the corporation, as services of the members of the legal department.

The opinion of the Court of Common Pleas points out in detail the character of the services performed by Battelle, which, generally stated, includes all of the services

which are normally performed in connection with the preparation and prosecution of applications for patent. Additionally, the Court of Common Pleas found that Battelle through its legal department was drafting contracts and giving legal advice with respect to infringement of issued patents.

The Court of Common Pleas further found that when such services are performed, as to inventions which are owned solely by Battelle and not elected for assignment by the sponsor, they are not the unauthorized practice of law.

With respect, however, to services performed by employees of Battelle, for sponsors, the Court stated:

> "We hold that all legal services so performed after the sponsors have made a claim to a patent or invention including those alleged in the Committee's application filed November 16, 1957 have been an unauthorized practice of the law, that the same should be restrained, and that Battelle should be enjoined from engaging in the unauthorized practice of law."

The Court of Appeals did not negate in any way the facts alleged in the application as filed, nor as found by the Trial Court.

In commenting upon the errors assigned on appeal, the Court of Appeals noted (Appendix p. 44a):

> "Several errors were assigned the principal one in each case being that the Trial Court erred in failing to hold that the Federal Government has exclusive power and control over admission to practice in the U. S. Patent Office so as to preclude any State from interfering therein."

The Court of Appeals, after reciting the pertinent parts of certain Articles of the Constitution of the United States, and certain Sections of Title 35 U. S. C., as well as certain Rules enacted by the Commissioner of Patents govern-

ing practice before the Patent Office, stated (Appendix pp. 48a-49a):

> "It is our finding that the Commissioner of Patents from the standpoint of unauthorized practice has the exclusive right to determine whether the patent matters in which Battelle participates, through attorneys or agents employed by Battelle, are matters which constitute the business of Battelle due to a direct or primary interest of Battelle therein, or of Battelle by virtue of rights as an assignee as provided for under Title 35 Sec. 152 or Rule 32 supra and whether Battelle is engaged in unauthorized practice before the Patent Office.
>
> For the reasons set forth we conclude that control of practice before the U. S. Patent Office is a superior right vested exclusively by the United States Constitution and by Acts of Congress and the Commissioner of Patents, subject to appeal to the Federal Courts, and the State Courts, by virtue of Article VI of the United States Constitution, are bound thereby and precluded from interfering."

It is noted that the Court of Appeals suggested alternative ways of questioning the practices of Battelle, but such suggestions are *obiter dicta*, because the manner of proceeding was not an issue either in the Court of Common Pleas, or in the Court of Appeals.

At the Hearing before the Supreme Court counsel for Respondent called attention to the pendency of the *Sperry* case, whereupon the Court withheld its ruling, pending the publication of the Sperry decision. The affirmance of the ruling of the Court of Appeals was rendered without opinion, but reference was made in the reported decision to the *Sperry* case as a basis for the dismissal of Petitioner's Appeal.

REASONS FOR GRANTING THE WRIT.

The questions presented involve a clear conflict, of obvious concern to the bench and bar and to the general public, between an exercise of Federal power to regulate practice before the Patent Office and the exercise of a State Judiciary to regulate the practice of law within its borders.

The questions are also of great public importance since they concern the right of a State to control the practice of law, as to matters outside the Federal Jurisdiction, such as the practice of law pertaining to issued patents.

FIRST QUESTION.

1. Where a corporation has no Federally vested right to practice before the Patent Office, in view of the fact that the corporation has not been registered to practice before the Patent Office, does the recent decision of this Court in Sperry vs. State of Florida render the corporation immune from state regulation of the practice of law relating to patent matters?

The Commissioner of Patents, by virtue of the authority granted in Sec. 31 of the Patent Act has the power to determine who shall be admitted to practice before the Patent Office for the purpose of filing and prosecuting applications for patent therein. In this case, Respondent has not been admitted to practice before the Patent Office.

In the *Sperry* case, the Petitioner had a *vested* right by virtue of the fact that he was registered to practice before the Patent Office, hence, there was a conflict between a Federally granted franchise and the police power of a State, which this Court undertook to resolve. Sperry's franchise was protected by the application of the Supremacy clause of the Constitution.

Under the Tenth Amendment of the Constitution, unless and until the Federal right is vested, no person, firm

or corporation should be immune from control by a State, of acts which constitute the unauthorized practice of law within its borders. This Court, in the *Sperry* case, recognizes the application of the Tenth Amendment "that all is retained which has not been surrendered." (373 U. S. page 403), thereby in our submission emphasizing and limiting the Federal jurisdiction only to one who has been registered to practice before the Patent Office.

SECOND QUESTION.

2. Has Congress so preempted the field of patent matters as to deprive the State of jurisdiction over parties who are not registered to practice before the Patent Office?

The Supreme Court of Ohio has held that the field of patent matters has been preempted by the Federal government and that, therefore, the State is powerless to exercise authority against a corporation which is practicing law within its borders relating to patent matters. The reasoning was that the power to grant patents had its origin in the Constitution and that the power was delegated to Congress. In turn, Congress delegated the power to the Commissioner of Patents to admit parties to practice before the Patent Office. The Commissioner, however, has not extended the power to practice before the Patent Office to corporations and particularly has not admitted Respondent to practice before the Patent Office. Therefore, the field of patent matters has not been so preempted by the Federal government, so as to render a non-registered corporation immune from State regulation in such field.

THIRD QUESTION.

3. Even if a non-registered corporation does have a vested right and even if the field is preempted, as to parties not registered to practice before the Patent Office, does such vesting and/or preemption extend to acts of the corporation beyond the preparation and prosecution of applications, so as to include the drafting of legal instruments and giving legal advice to others concerning issued patents?

In the *Sperry* case, this Court considered the steps which are normally taken in the preparation and prosecution of applications for patent and stated (373 U. S. 383):

> "We do not question the determination that under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law. Greenough v. Tax Assessors, 331 U. S. 486, 67 S. Ct. 1400, 91 L. Ed. 1621; Murdock v. Memphis, 20 Wall. 590, 22 L. Ed. 429." * * *.
>
> "Nor do we doubt that Florida has a substantial interest in regulating the practice of law within its State and that, in the absence of Federal Legislation, it could validly prohibit non-lawyers from engaging in this circumscribed form of patent practice."*

It would appear that this Court intended by the *Sperry* case to recognize the existence of the power of the State, except for a vested Federal right, to maintain control over the practice of law within its borders, when it stated, 373 U. S. 402:

> "Moreover, since patent practitioners are authorized to practice only before the Patent Office, the

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* See *Konigsberg v. State Bar of California*, 366 U. S. 36, 40-41, 81 S. Ct. 997, 1001-1002, 6 L. Ed. 2d 105; *Schware v. Board of Bar Examiners of New Mexico*, 353 U. S. 232, 239, 77 S. Ct. 752, 756, 1 L. Ed. 2d 796; *West Virginia State Bar v. Earley*, 144 W. Va. 504, 109 S. E. 2d 420; *Gardner v. Conway*, 234 Minn. 468, 48 N. W. 2d 788.

> State maintains control over the practice of law within its borders except to the limited extent necessary for the accomplishment of the Federal objectives."

Unless and until, therefore, one is admitted to practice before the Patent Office, the State should maintain control over the practice of law by unregistered parties.

In the case of *Chicago Bar Association vs. Kellogg*, 338 Ill. Appeal 618, 88 N. E. (2d) 519 the Court in considering the acts of a party other than the preparation and filing of applications for patent, stated:

> "In our opinion the rendering of opinions relating to the infringement of patents and the enforcement of patents and trademarks very definitely involves the practice of law."

Respondent by engaging in the practice of law pertaining to *issued* patents is practicing in a field which is outside Federal Jurisdiction, because the powers of the Commissioner of Patents are limited to the filing and prosecution of *applications* for patent. Nevertheless, the Supreme Court of Ohio has construed the *Sperry* case as holding that Federal Jurisdiction is applicable to all legal services which relate to patent matters. This Court, therefore, should exercise its power over State judgment to correct the judgment of the Supreme Court of the State of Ohio to the extent that it has incorrectly adjudged Federal rights.

A corporation may not render legal services for others for that constitutes the unauthorized practice of law. The general rule is laid down in 157 *A. L. R.* 283.

Nor can a corporation render legal service for others indirectly by employing lawyers to practice for it. See 157 *A. L. R.* 287.

In Ohio, the practice of law by corporations is specifically prohibited by Statute (page 67a herein).

The fact that the subject matter involves patents does not deprive the states of police power in the exercise of its effort to protect the public within its borders.

Patterson v. Kentucky, 97 U. S. 501;
Webber v. Virginia, 103 U. S. 344.

This Court has recognized the power of the State to regulate and control the practice of law within its borders.

Bradwell v. Illinois, 16 Wall. 13;
In re Summers, 325 U. S. 561.

This Court has also recognized that the power to admit to the practice of law is a judicial power.

Ex parte Garland, 4 Wall. 333.

CONCLUSION.

For the foregoing reasons the conflict between the asserted Federal right and the police power of the State to regulate the practice of law within its borders is a matter of great public interest. The Federal question was raised in each stage of the proceedings below, but the final decision was withheld pending the ruling by this Court in the *Sperry* case.

The *Sperry* case in our submission is authority only for the application of the superior Federal right where the Federal right is vested and conflicts with the State regulation. No such vested right existed in this case, yet the Supreme Court of Ohio has applied the rule of the *Sperry* case as though it is applicable to one not vested with the Federal right, on the ground that the subject matter is in the field of Federal jurisdiction.

This Court, in the *Sperry* case, has held that Congress has preempted the field of patent matters only insofar as

concerns the practice before the Patent Office and by those who are registered to practice before the Patent Office. All other rights relating to patent matters are reserved to the States under the Tenth Amendment of the Constitution. The Tenth Amendment, therefore, preserves to a State the power to regulate and control the practice of law to all who are not registered to practice before the Patent Office. Moreover, the *Sperry* case recognizes a distinction between practice before the Patent Office by a registered agent and the power of a State Court to control other acts of such agent which amount to the practice of law and which are not specifically within the ambit of the preparation and prosecution of applications for patent.

This Court, therefore, should exercise its powers of Supervision to correct the judgment of the Supreme Court of Ohio because it is in clear conflict with the limitations expressly delineated in the *Sperry* case.

Respectfully submitted,

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Sept. 25, 1963.

OPINION OF COMMON PLEAS COURT, CASE NO. 196,819.

No. 196,819

IN THE COURT OF COMMON PLEAS
OF FRANKLIN COUNTY

In re:
BATTELLE MEMORIAL INSTITUTE

OPINION.

(Decided July 20, 1960)

BY MARSHALL, J.

THE ISSUE.

The sole issue is whether Battelle Memorial Institute is engaged in the unauthorized practice of law. More specifically, are the members of its legal department and patent section engaged in the unauthorized practice of law?

ORGANIZATION OF BATTELLE.

Battelle is a nonprofit corporation, organized to conduct scientific research for itself, for the United States government, and for clients engaged in private industry, called "Sponsors." The complaint of unauthorized practice of law in this action is limited to acts done in connection with such "Sponsors."

Battelle has a staff of some 2,300 employees, about 1,200 of whom are scientists. It has some fifty divisions divided into seven departments. Its total business in 1959 was about $23,000,000.

The legal department of Battelle consists of seven members. Five members of this department are licensed to practice law in Ohio, and one is a lawyer admitted to practice in Colorado.

The legal department contains a patent section which specializes in the field of inventions and patents. Four men devote all their time to patent matters, and two devote

about half of their time. Four members of the legal department (all attorneys) are registered in the U. S. Patent Office under the firm name of Gray, Mase & Dunson.

Because of the possibility that research of any kind might, and often does, include the possibility of a new invention and the obtaining of a new patent, every employee of Battelle, before being hired, is required to sign an agreement which obligates the employee to assign any and all inventions made by such employee to Battelle. Under the patent law, an application for a patent must be filed in the name of the inventor.

Every agreement with an industrial sponsor refers to Battelle's agreement with its employees, which requires them to assign their inventions to Battelle, and includes (in the agreement with such sponsor) a provision that if an invention is made during the course of the research on sponsor's project, Battelle will notify the sponsor of this fact and permit the sponsor, at its election, to have such application and all rights to the invention assigned by Battelle to such sponsor. If the sponsor does not elect to exercise its option, Battelle remains the owner of the invention (after assignment by the inventor) and would normally complete the patent. The patent section files and processes the application for a patent until such time as a sponsor elects to take an assignment thereof. In such event, the sponsor has the option of further processing the application with counsel of its own choosing.

The members of the legal department of Battelle are paid salaries by Battelle. By agreement with each sponsor, the expense of each project is paid by the sponsor. The time spent by each staff member of Battelle on each project, including scentists and members of the patent section, is kept and charged to the sponsor at a rate based upon the salary being paid to the persons performing the services.

The only tribunal in which members of the patent section work is the U. S. Patent Office. They appear in no courts of law, nor do they participate in any court proceedings.

WORK DONE BY LEGAL DEPARTMENT.

As a part of its research in connection with inventions and patents, the members of the legal department perform a variety of office work. They prepare opinions and legal instruments, compose letters in connection therewith, make reports, prepare briefs, and do many other types of office work. They also prepare documents to be filed in the U. S. Patent Office in connection with applications for patents and inventions. (See detailed list, as set forth in committee's application, appended hereto.)

CONTENTION OF COMMITTEE.

It is the contention of the committee that the members of the legal department of Battelle, and especially those working in the patent section, are engaging in the unauthorized practice of law for others, namely, sponsors, when they prepare and issue opinions, legal instruments, and letters which include interpretation of legal rights, such as patentability of inventions, quoting decisions of courts, and interpreting statutes of the various states.

CONTENTION OF BATTELLE.

Battelle insists that the members of its legal department, and especially those who do work in the patent section, are working on a salary for Battelle, doing work for Battelle as their client, that they are doing no legal work for others of an unauthorized nature, and that the work they do is highly specialized in the field of patents and in-

ventions, consisting for the most part in research and only to a limited part in law restricted to a limited field. They point out that the only tribunal in which they practice is the U. S. Patent Office, where the practice is not limited to attorneys, and that all the office work done in Columbus points to, and is related solely to, the eventual obtaining of patents as the result of invention, developed by its employees in connection with their research, including research for sponsors.

SCOPE OF CHARGE.

When we speak of unauthorized practice of the law, we must consider:

(1) Who is charged.

(2) The type of work performed.

(3) For whom the work is performed.

(4) Is such work the unauthorized practice of law?

(1) WHO IS CHARGED.

In the first place, Battelle is under a charge in this case. Being a corporation, it cannot, as such, practice law in Ohio. The charge of the committee is that Battelle is indirectly practicing law in Ohio by hiring lawyers and nonlawyers to work in its legal department and patent section, who, in turn, furnish legal services to others, namely, sponsors, in an unauthorized manner.

While the unauthorized practice of law might include unlawful appearances before the courts, that type of practice is not here under consideration. There is no evidence here of any such type of practice. The only tribunal before which any employee of Battelle appears is the U. S. Patent Office, which incidentally, has its own requirements as to who may practice before it.

The type of unauthorized practice complained of in this case is, for the most part, the kind known as office practice, including such fields as the advising of persons as to their legal rights, rendering legal opinions, and the drafting of legal instruments, as more particularly set forth in the Committee's Application, filed November 16, 1957. (See Appendix.)

The committee's complaint against Battelle is not limited to the nonlawyer members of its legal department or patent section. Nor is it limited to the lawyer staff members who are not admitted to the practice of law in Ohio. We perceive that the complaints would be substantially the same even if all members of the legal department and patent section were attorneys licensed to practice law in Ohio. The real complaint is that members of the legal department and patent section, all of whom are salaried employees of Battelle, are performing legal services for sponsors without the proper attorney-client relationship, and therefore, are engaged in the unauthorized practice of law.

(2) The Type of Work Performed.

The evidence in this case discloses the work which needs to be done, and is done, in connection with research for sponsors. It also discloses the work done in connection with patents and inventions which may develop out of such research.

Admittedly, much of such work is pure research. A great deal of it is highly specialized work of great complexity, requiring study, extensive knowledge and skill.

On the other hand, the work required to process an application for an invention or patent is, for the most part, legal work. Without attempting to enumerate all types of such work, we would merely mention such recognized legal work as the drafting of contracts, applications, affi-

davits and assignments, the rendering of opinions as to patentability, infringement and interference, and the giving of advice as to the rights and duties of persons and corporations. (See *Land Title Abstract & Trust Co. v. Dworken*, 129 Oh. St. 23).

(3) For Whom the Work Is Performed.

The committee does not complain of the work of the legal department and patent section, so far as it is limited to research work or legal work performed solely for Battelle as the real employer and client of such staff workers. It does complain of such work when it is performed for sponsors, whom it claims are parties other than the real employer and client of members of the staff.

The Answer of Battelle alleges in part as follows:

> "2. Battelle denies that acting through its agents, employees and attorneys, it contracts to or renders any services for others which could be construed or considered as practicing law. ***
>
> "***
>
> "6. *** In all cases the services performed by members of its patent section are performed solely for Battelle."

The terms of the sponsor-Battelle contract should be considered.

Paragraphs 2, 3 and 4 of such contract form read as follows:

> "2. In consideration of Battelle's carrying on the above mentioned research project, the Sponsor agrees to pay the research costs, including the following:
>
> "a. Staff costs.
>
> "b. Undistributed expense in the amount of seventy-four per cent (74%) of staff costs.

"c. Purchases of materials, supplies, services, special equipment, and any miscellaneous expenses necessary for said project.

"d. Standard rates for use of technical equipment, special facilities, services of technical service divisions and research divisions, as required for said project.

"e. Travel directly applicable to said project.

"It is agreed that said costs shall not exceed a total of Dollars ($) payable

"3. Battelle agrees that all information obtained by Battelle through the work on the project specifically defined above shall be made available to the Sponsor at any reasonable time during Battelle's working hours subject to the terms and conditions of this agreement, and that Battelle will communicate to the Sponsor, promptly without request, all information pertinent to the project as it progresses.

"4. Battelle represents that each of its employees has entered into a contract of employment which provides for assignment to Battelle of all inventions made by said employee during the course of his employment.

"Battelle agrees that if, during the period of this agreement, as specified in paragraph 1 hereof, any of its employees shall make an invention while working on this project, Battelle will promptly make such invention known to the Sponsor and upon request and at the expense of the Sponsor, and through attorneys named by the Sponsor, said employee shall make application for letters patent and Battelle agrees to assign said application and any and all rights to said invention to the Sponsor under the conditions of this agreement. It is mutually agreed that any expense for the filing and assignment of applications for letters patent or any expenses in connection with the prosecution of said applications or the recording of such assignments and any expenses such as charges for

staff costs, travel, and other expenses incurred in the preparation and prosecution of application for letters patent, though payable by the Sponsor, shall not constitute a part of the principal sum payable under this agreement, as specified in paragraph 2 hereof."

Since there is a dispute between the parties as to whether the staff of Battelle is ever working "for others," namely, sponsors, let us review the evidence on this subject, especially the work performed by Battelle's legal department and patent section after the sponsor indicates it will claim rights to an application for a patent, or a patent.

The committee offered in evidence the testimony of John Gray, as on cross-examination. Mr. Gray is general counsel for Battelle. His name appears first in the firm name of Gray, Mase & Dunson, which is registered in the U. S. Patent Office and acts as counsel for applicants for inventions originating from Battelle.

The committee also offered the testimony of Mr. Lawrence C. Kingsland, a patent attorney from St. Louis, Missouri, a former Commissioner of Patents for the U. S. Patent Office.

The committee offered, and the court admitted into evidence, its Committee's Exhibits 1 through 11, both inclusive, which we will briefly refer to.

Committee's Exhibits 1 and 2 are letters from the patent department of Battelle to The Wolf Machine Company, dated August 29, 1950, and February 22, 1951, respectively, with reference to a patent on a cloth-cutting machine. Committee's Exhibit 4 is a letter from the production research department of Battelle to The Wolf Machine Company, dated February 6, 1948, wanting to know if the Battelle patent department should proceed to prepare a patent application for the cloth-cutting machine.

Committee's Exhibit 11 is the complete file for Pat-

ent No. 2,658,032, issued November 3, 1953. It was an invention of Charles L. Faust and W. G. Hespenheide of Battelle, filed on June 11, 1949, through the law firm of Gray, Mase & Wildermuth & Dunson of Battelle, assigned on June 10, 1949, to Battelle, and reassigned on the same day by Battelle to The City Auto Stamping Company which had a sponsoring contract with Battelle. The preliminary patent search was dated November 26, 1947. Numerous letters and documents are in this file, including:

Committee's Exhibit 3, Letter dated June 17, 1948

Committee's Exhibit 5, Letter dated March 29, 1950

Committee's Exhibit 6, Letter dated March 31, 1950.

In a letter dated May 19, 1949, from Charles L. Faust to counsel for the sponsor, there was enclosed a rough draft of a patent application, and the letter inquired if the sponsor would want Battelle's patent group to handle the filing and prosecution of the patent, or if the sponsor would prefer to have its own patent attorneys handle the case. The reply letter from counsel for sponsor to Mr. Faust, dated May 27, 1949, requested the patent people of Battelle to handle the filing and prosecution of the patent. The file contains numerous items of correspondence with reference to this patent, continuing up to February 22, 1954.

While this is an isolated case, it shows the manner in which it was handled from the date of the patent search, November 26, 1947, until delivery of a corrected patent on February 22, 1954, to the sponsor, The entire patent was handled by Battelle's law firm of Gray, Mase, Wildermuth & Dunson. In May 1949, arrangements were made for the patent to be secured for the sponsor, using the services of Battelle's patent section, although the pair of assignments from the inventor to Battelle and from Battelle to the

sponsor were not dated and filed until June 1949, when the patent was issued. Further servicing was required and performed by the Battelle law firm up until February 1954.

Mr. John Gray, general counsel for Battelle, testified generally that under no circumstances does the present firm of Gray, Mase & Dunson receive compensation for preparing and filing patent applications other than from Battelle.

Mr. Gray identified Committee's Exhibit 11 as the complete file for Patent No. 2,658,032, for The City Auto Stamping Company. He admitted that the sponsor was billed for the services of the attorneys and members of the patent section of Battelle, and that the sponsor paid such bills. Mr. Gray estimated that about 25 applications a year have been prepared by Battelle, where sponsors paid for the services on monthly invoices submitted to the sponsors. In each case, while the application is carried in the name of the inventor, Battelle's law firm (now Gray, Mase & Dunson, which is registered to practice in the Patent Office) is named as the attorney having power of attorney.

Mr. Gray testified that he would refuse to produce any specimens of pending applications, on the ground it would be a violation of a confidential disclosure.

Counsel for Battelle agreed and stipulated that Committee's Exhibits 8 and 9, being reports of Battelle's law firm with regard to patents in the names of the inventors, were typical examples of the practice at the present date as to such documents.

Committee's Exhibit 7 is a complete set of invoices from Battelle to the joint sponsors of projects S-1033-10A and S-1033-10B, The National Publishing Company and The United States Playing Card Company. Each cosponsor

was charged one half of the various charges made by Battelle in connection with the project. The invoices commence in July 1948, and continue to June 25, 1954.

The first invoice in sponsored project No. S-1033-10A covers patent work for the month of June 1948, for filing patent applications. The last invoice under sponsored project No. S-1033-10A is dated December 20, 1951.

The first invoice in sponsored project S-1033-10B is dated January 29, 1952, and covers the cost of recording assignments. The last invoice is dated June 25, 1954, to cover payment of recording fee and final fee on U. S. Patent No. 2,645,871.

Counsel for Battelle admitted that the sponsors for sponsored projects S-1033-10A and S-1033-10B were invoiced as shown in Committee's Exhibit 7, that the services shown were rendered and that the bills were paid by the sponsors.

The committee relied upon Committee's Exhibit 7 to serve as a typical example of one complete set of invoices made to sponsors in connection with a given project, which were paid for by the sponsors, to show that the invoices continued in the same manner from the beginning of the work on the applications to the time the final work on the patent was completed. The various invoices show that the sponsors early elected to take assignment of the patent and that the pairs of assignments were recorded in the middle of the entire period covered by the invoices.

After considering all the evidence relative to question (3) For Whom The Work Is Performed, we believe the evidence shows clearly that at the beginning of any research project the members of Battelle's staff, including members of the legal department and the patent section, are working for Battelle. Any legal services performed at this early state of research are rendered for Battelle. This is true

even though a sponsor has the right by its contract with Battelle to request the inventor and Battelle to assign to it any application for an invention and other rights to an invention, which may develop while Battelle is working on the project.

We hold that all legal services performed by members of the legal department and patent section of Battelle prior to the time any sponsor requests an assignment, whether by execution of a formal written election or by any other form of expressing its intent to acquire such invention, are, in fact, services rendered solely to Battelle.

We further hold that all such services rendered subsequent to the time the sponsor indicates its intent to acquire such invention are not rendered solely to Battelle.

(4) Is Such Work the Unauthorized Practice of Law?

Under conditions as they exist in the instant case, when are legal services performed by members of Battelle's legal department and patent section proper legal services, and when are they unlawful, or unauthorized?

As hereinbefore stated, there are a variety of practices which the courts have held to constitute the unauthorized practice of the law. It would serve no purpose to define any types not applicable to the facts here under consideration.

We have presented here the charge against a corporation which employs persons who perform legal services for individuals and corporations other than the employing corporation.

In different court decisions, the elements of this situation, which render such services the unauthorized practice of the law, include:

1. The corporation could solicit legal work, while attorneys, under their oath, could not.

2. The corporation would serve as an intermediary between the attorney and his client.

3. The attorneys hired by the corporation would be subject to divided allegiance and conflict of interest, in that their primary loyalty would be to the corporation-employer, rather than to the sponsors or clients of the corporation.

Again, it has been held that proper practice of the law can take place only where:

1. There is an assurance of true legal competence.

2. There must exist a true confidential relationship between attorney and client.

3. The circumstances must be such as to assure absolute loyalty and undivided allegiance between attorney and client.

Another indictment of the type of practice revealed by the record in this case is that Battelle's use of its employed attorneys amounts to the practice of law as a commercial matter to make a "merchant's profit," rather than a limiting of the professional services of its attorneys to Battelle as client.

Considering all these concepts, in the light of the evidence before us, we conclude that the legal services performed by members of Battelle's legal department and patent section, which are rendered solely to Battelle, are not the unauthorized practice of law. Such services are fully compatible with recognized and proper attorney-client relationships between such attorneys and Battelle. The allegiance and loyalty of attorney to client is not questioned. There is no doubt as to the confidential relationship which exists between attorney and client under these conditions.

To what extent, if any, do these proper attorney-client

relationships change when members of Battelle's legal department and patent section cease to render services solely to Battelle and begin to render services in whole or in part to sponsors?

We find that a different relationship is established as soon as the sponsor indicates its intent to acquire such invention. From that time on it is the sponsor who assumes the position of employer or owner, and to whom undivided loyalty is required in the establishment of a proper attorney-client relationship between it and an attorney. Such a relationship cannot exist between the sponsor and an attorney whose loyalty is already pledged to Battelle. Therefore, no attempt on the part of the sponsor or of Battelle, whether by contract or otherwise, to create a proper attorney-client relationship between the sponsor and an employee of Battelle can be recognized.

While the source of compensation paid to an attorney for his legal services is substantial evidence of loyalty between such source and the attorney, it is not the sole criteria of loyalty which must be present in any proper attorney-client relationship. For example, in the instant case, so long as the confidential relationship continues between Battelle and the attorneys it employs, such attorneys are not in a position to establish proper attorney-client relationship with sponsors. This is so whether sponsors pay Battelle research costs, including staff costs, whether sponsors would agree to pay compensation direct to such attorneys, either in full or in part for services rendered or whether the attorneys would agree to perform such services for sponsors gratuitously and rely solely on compensation paid to them by Battelle in the form of salary.

We hold that the provision in paragraph 4 of the Battelle-sponsor contract, hereinbefore set out, to the effect that Battelle, on request of the sponsor, will assign an ap-

plication "through attorneys named by the sponsor," to the sponsor, does not authorize the sponsor to retain counsel for Battelle as its counsel to continue the legal work required to complete the application for the sponsor. Furthermore, even if either or both of the parties so construed the contract, such construction would be improper. No private contract can authorize the unauthorized practice of the law.

The evidence shows that in specific cases, and, presumably, in nearly all cases where members of Battelle's legal department and patent section have fully processed applications for patents in connection with research projects for sponsors, there has been a continuation of the services of such staff members, under the terms of the sponsor-Battelle contract, long after the sponsor has made a claim to such patent or invention.

We hold that all legal services so performed after the sponsors have made a claim to a patent or invention, including those alleged in the committee's application filed November 16, 1957, have been an unauthorized practice of the law, that the same should be restrained, and that Battelle should be enjoined from so engaging in the unauthorized practice of law.

Battelle is, accordingly, enjoined from further engaging in the unauthorized practice of law for sponsors, through its employees in the legal department or patent section of Battelle.

The court will render a separate decision with reference to the issues joined in the case of Battelle Memorial Institute v. Merritt W. Green et al, case number 197,718, which was consolidated herewith for hearing.

Judgment accordingly.

/s/ GEORGE B. MARSHALL, *Judge.*

APPENDIX. APPLICATION.

1. This application is made by and on behalf of the Committee of this Court heretofore appointed on the 4th day of November, 1957, with authority and instructions to make an inquiry and investigation as to whether persons, firms or corporations are engaged in the unauthorized practice of law in this county, and is made in the discharge of the said responsibilities of such Committee.

2. Battelle Memorial Institute, hereinafter called "Battelle," is a corporation not for profit organized and existing under the laws of the State of Ohio for the purpose of engaging in the business of conducting research, making discoveries and inventions and generally accomplishing educational, scientific, charitable and benevolent purposes.

3. Acting through agents, employees and attorneys Battelle contracts to, and does, render services for others as hereinafter described.

4. Battelle is not qualified or authorized by any lawful authority to engage in the practice of law. Notwithstanding the fact that Battelle is not qualified to act as an attorney at law, and is not admitted to practice law in the State of Ohio, it has on divers occasions and for several years last past engaged in the practice of law by employees and agents and by attorneys hired by it for that purpose, and Battelle will, with reasonable certainty, through such employees, agents and salaried attorneys, employed for that purpose, continue in said practice of law, as hereinafter set forth.

5. Battelle conducts research for individual sponsors under contracts, a copy of which is hereby attached and made a part hereof as exhibit A, in which payment to be made by the sponsor and other terms are set forth.

6. Battelle conducts its research through employees, with whom it has employment contracts, a copy of which is hereby attached and made a part hereof as exhibit B. Such contracts recognize that the employees have no equitable or beneficial interest in inventions discovered during their employment with Battelle, and each employee therefore agrees to assign any such invention to Battelle or to the appropriate sponsor, as Battelle directs.

7. The contract between Battelle and each sponsor further recognizes that Battelle has no equitable or beneficial interest in such inventions made during sponsored projects. If an employee makes an invention during such a sponsored project, the sponsor is notified. If the sponsor wishes to acquire the invention, Battelle, through its own employees as aforesaid, will file and process a patent application in the United States Patent Office upon the application of the employee inventor, and upon the issuance of a patent thereon will assign the patent to the sponsor. If the sponsor elects so to do, it is entitled under its contract with Battelle to process such patent application through attorneys named by it, but in the absence of such election the work is done by employees of Battelle as aforesaid. For the services of its employees in processing such patent applications, and in the preparation of documents relating thereto, Battelle charges fees to its sponsors in addition to and not as a part of those received under the research contract.

8. The services which Battelle renders to its sponsors as aforesaid, by means of attorneys and other employees on its payroll, and for which it makes a charge, include the rendering of opinions as to the patentability of inventions; preparing applications for letters patent; preparing amendments to applications for letters patent; preparing affidavits

for use in connection with patent applications and the processing thereof; and preparing assignments for transferring title in patent applications and patents, rendering opinions on the validity of patents, rendering opinions on foreign laws, rendering opinions on the provisions in intergovernmental treaties, and drafting of license agreements for rights under patents.

9. Battelle holds itself out as being legally qualified and competent to render opinions concerning the patentability of inventions, and to prepare patent applications, amendments to patent applications, affidavits with respect to patent applications and to draft contracts and assignments with respect to patents and patent applications, rendering opinions on the validity of patents, rendering opinions on foreign laws, rendering opinions on the provisions in intergovernmental treaties, and drafting of license agreements for rights under patents.

10. The preparation and prosecution of applications for letters patent entails the drafting of specifications and claims in language which has its basis in court decisions which interpret the patent statutes.

11. During the prosecution of patent applications amendments are frequently necessary. Each amendment usually includes the preparation of a brief, together with citations of cases, and the redrafting of claims in the light of disclosures in prior patents which may be cited by the examiner. The language used in redrafting the claims to protect legal rights must be chosen with due regard for court decisions, and with due regard for the avoidance of estoppel which may subsequently be raised in an action for infringement in a United States District Court.

12. Where two or more patent applications are pending in the Patent Office claiming or appearing to claim substantially the same subject matter, an interference is

declared by the examiner. This is a contest to determine priority of invention and the procedure involves the preparation of affidavits, the taking of testimony, the preparation of briefs and argument before a Board of Interference Examiners.

13. From a decision denying patentability upon an application, or from an adverse decision in an interference, an appeal lies either to the Court of Customs and Patent Appeals in the District of Columbia, or to the United States Court for the District of Columbia. The record made in the Patent Office is used on the appeal in the Court of Customs and Patent Appeals, and no other record may be used. In the District Court the applicant or petitioner may use the record made in the patent office or he has the right to make a new record.

14. From a decision by the Court of Customs and Patent Appeals, a petition for certiorari lies to the United States Supreme Court. In such case the petition must be based upon the record made in the Patent Office. From a decision by the District Court, an appeal may be taken to the Circuit Court of Appeals and from the decision of the latter Court a petition for certiorari may be filed with the Supreme Court of the United States.

15. After a patent has been issued an action may be brought in an appropriate United States District Court for infringement. In such an action the record made in the Patent Office is scrutinized by the Court for estoppel by file wrapper limitations. Accordingly, the prosecution of the patent application before the Patent Office in every case constitutes the building of a record to be used in a subsequent court action.

16. Frequently affidavits are prepared and filed in connection with the prosecution of a patent application to show evidence of utility and value of the invention. In

drafting such affidavits it is essential that the evidence be considered in the light of court decisions relating to the questions of utility, novelty and commercial success. Such affidavits become a part of the record in the Patent Office to be used as hereinbefore described.

WHEREFORE, Petitioners, as officers of this Court and of the Supreme Court of Ohio, and as members of the Committee heretofore appointed by this Court to investigate the unauthorized practice of law in Franklin County, and to take appropriate action with respect thereto, pray for an order restraining and enjoining said Battelle Memorial Institute from engaging in the practice of law, and for such other orders as may be appropriate in the premises.

JOURNAL ENTRY OF THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY, NO. 196,819.

This cause came on for consideration upon the application of the Court's Committee to determine whether Battelle Memorial Institute, herein referred to as "Battelle," is engaged in the unauthorized practice of law, and upon the answer of Battelle, the evidence, the statements of counsel, and the briefs.

Accordingly, the Court holds and finds as follows:

(1) When salaried members of the legal department or patent section of Battelle, who are employed to perform recognized legal services for Battelle, in connection with applications for, or work in connection with, the obtaining of patents or inventions, cease to perform such legal services exclusively for Battelle and perform them

for industrial sponsors of Battelle, this constitutes an unauthorized practice of the law.

(2) When salaried members of the legal department or patent section of Battelle perform legal services in connection with an application for, or work in connection with, the obtaining of a patent or invention after an industrial sponsor of Battelle has requested an assignment of any such patent or invention under the terms of the sponsor-Battelle contract, whether by execution of a formal written election or by any other form of expressing its intent to acquire such patent or invention, they are no longer performing such legal services exclusively for Battelle but are in fact performing such legal services for such industrial sponsor, which constitutes an unauthorized practice of the law.

(3) From the evidence adduced at the hearing of this cause, the Court finds that certain of the salaried members of the legal department or patent section of Battelle have performed legal services in connection with applications for, or work in connection with, the obtaining of patents or inventions after an industrial sponsor of Battelle has expressed its intent to seek an assignment of such patents and inventions under the terms of the sponsor-Battelle contract, and that such legal services are for the industrial sponsor and constitute an unauthorized practice of law which should be restrained.

(4) The power to determine what persons may practice in the U. S. Patent Office is exclusively a power vested in Congress.

(5) A person is performing legal work when he performs such services as the drafting of contracts, applications for letters patent, amendments to applications for letters patent, affidavits and assignments, when he ren-

ders opinions as to the patentability, validity, infringement and interference in relation to inventions and patents, when he negotiates and drafts license agreements, and when he gives advice as to the rights and duties of persons and corporations and the fact that such services may be related to patents and inventions does not change the character of such services from legal services to non-legal services.

(6) The power to license persons to practice law is one of the police powers of each state.

(7) The power to admit a person to the practice of law is a judicial power and not a legislative power.

(8) The power to regulate, control and define the practice of law rests inherently in the judicial branch of the government.

(9) No agency of the federal government can dictate, define or limit the practice of law in Ohio.

(10) It is incorrect to say that all work performed in connection with the obtaining of a patent or invention is necessarily non-legal, or is necessarily not the practice of law, simply because it is done under the rules and requirements of an administrative agency such as the Patent Office.

(11) The work done before an administrative agency may or may not constitute the practice of law but if it does constitute the practice of law, and is done in Ohio, it must be done by persons who are duly licensed to practice law in Ohio.

(12) The State of Ohio has the right to say what constitutes the practice of law in Ohio, to prescribe the qualifications of those who may be allowed to practice law in Ohio, and to issue licenses to practice law in Ohio to those it finds are so qualified.

(13) The fact that under the rules of the Patent Office non-lawyers may be admitted to practice before such office, does not in any way affect the determination by an Ohio court as to whether the performance of certain acts in the patenting of inventions constitutes the practice of law.

Accordingly, the Court permanently enjoins Battelle Memorial Institute, acting through its officers, agents, and/or employees from further engaging in the unauthorized practice of law as hereinbefore set forth, for industrial sponsors of Battelle.

Costs shall be paid by Battelle.

To the foregoing findings, judgment and order, both parties except.

/s/ GEORGE B. MARSHALL,

Judge.

OPINION OF COMMON PLEAS COURT, CASE NO. 197,718.

No. 197,718.

IN THE COURT OF COMMON PLEAS

OF FRANKLIN COUNTY.

BATTELLE MEMORIAL INSTITUTE,

Plaintiff,

vs.

MERRITT W. GREEN, *et al.*,

Defendants.

OPINION.

(Decided: September 12, 1960.)

BY MARSHALL, J.

By court order in case No. 196,819, filed January 6, 1960, that case and the instant case were by agreement of the parties consolidated for trial. Both cases were tried together, beginning February 24, 1960.

On July 20, 1960, this Court rendered its decision in Case No. 196,819.

The instant case was filed April 13, 1957, by Battelle Memorial Institute against numerous defendants who are alleged to have been members of the Unauthorized Practice of Law Committee of the Ohio State Bar Association, and who are sued in such representative capacity. The petition prays for a declaratory judgment and seeks a finding by the court that certain activities of plaintiff's patent section do not constitute the unauthorized practice of law. Plaintiff alleges that defendants have charged that plaintiff is engaged in certain activities which constitute the unauthorized practice of law, which plaintiff denies; that defendants have directed plaintiff to discontinue such activities or action would be taken to prohibit plaintiff from continuing such activities; and that, if the court

declares the rights and status of the parties, such action will terminate the controversy as to whether plaintiff is engaged in the unauthorized practice of law.

Defendants filed their answer herein on November 16, 1957, listing eight separate defenses, the first seven of which will be commented on, in order.

1. *That this Court does not have jurisdiction of the subject of this action.*

This subject was one of two grounds upon which defendants demurred to the petition on June 8, 1957. In his decision, dated July 18, 1957, Judge Leach specifically found "that this Court does have jurisdiction of the subject of this action." We concur in the well-reasoned opinion of Judge Leach and hold that defendants' first defense is not valid.

2. *That there is a misjoinder of parties defendant.*

The second ground upon which defendants relied in demurring to the petition was "that it appears upon the face of the petition that there is a defect of parties defendant therein." In overruling defendant's demurrer, Judge Leach, in his opinion dated July 18, 1957, held that "there is not a defect of parties defendant." His ruling was based on the allegations of the petition that the defendants notified plaintiff that certain of its activities constituted the unauthorized practice of law and that they directed plaintiff to discontinue the same, or action would be initiated against plaintiff.

The petition lists some 31 defendants, describing them as members of the Unauthorized Practice of Law Committee of the Ohio State Bar Association. Five of the defendants are Columbus attorneys, and the remainder are attorneys from other Ohio cities.

At the hearing, Mr. Phillip K. Folk, from Columbus, was present for the Ohio State Bar Association. Mr. Mer-

ritt Green, from Toledo, was present as Chairman of the state Unauthorized Practice of Law Committee of the Ohio State Bar Association. Mr. R. Rush Warren and Mr. Robert Albright, both from Columbus, were also present as counsel for defendants. All but Mr. Warren were named as defendants in the original petition filed herein.

Plaintiff offered as Exhibits 2 through 6 certain correspondence which the court admitted.

Exhibit 2 is a letter dated January 10, 1957, from Merritt W. Green to the attorney for the plaintiff, stating defendants' position concerning the alleged unauthorized practice of law by plaintiff.

Exhibit 3 is a copy of a letter, dated January 10, 1957, from Merritt W. Green to Phillip K. Folk, commenting upon the fact that the committee was convinced that plaintiff was engaging in the unauthorized practice of law.

Exhibit 4 is a letter, dated March 18, 1957, from Merritt W. Green to the attorney for plaintiff, stating the position of the committee that it was convinced that plaintiff was engaged in the unauthorized practice of law, and suggesting the possibility of a suit to stop such practice.

Exhibit 5 is a letter, dated March 26, 1957, from Merritt W. Green to the attorney for plaintiff, again suggesting the possibility of court action by the committee.

Exhibit 6 is a signed copy of a letter, dated April 3, 1957, from Merritt W. Green to Phillip K. Folk, suggesting immediate preparation of pleadings to be filed against plaintiff, in an attempt to prevent its further unauthorized practice of law. A copy of such letter was mailed to counsel for plaintiff.

We must agree with the ruling of Judge Leach in overruling defendants' demurrer on the ground of alleged

defect of parties defendant. It was certainly not necessary to name all attorneys in Ohio, by class or otherwise, in bringing the instant case.

We find no misjoinder of parties defendant in this case. However, we do not rule that in every case for declaratory judgment against a large committee of the Ohio State Bar Association it is necessary to name as defendants, and subsequently to serve, all its members.

We hold that the defendants' second defense is not valid.

3. *That defendants deny that they are members of the Unauthorized Practice of Law Committee of the Ohio State Bar Association.*

During the hearing of this case this defense was not pressed. Counsel for defendants, including several defendants named in this action, made statements and took positions compatible with the allegation of the petition that defendants were the acting members of the Unauthorized Practice of Law Committee of the Ohio State Bar Association.

The third defense is not valid.

4. *That defendants deny that they "directed" plaintiff to discontinue the activities and services complained of.*

The evidence is clear that spokesmen for defendants quite effectively "directed" plaintiff to discontinue activities which defendants claimed constituted the unauthorized practice of law, under a not too disguised threat of law suit to compel discontinuance. This fourth defense of defendants is not valid.

5. *That defendants deny that a justiciable controversy exists between the plaintiff and these defendants.*

Judge Leach, in ruling on the question of defendants' demurrer to the petition, found it necessary to consider

the matter of "justiciable controversy" in connection with defendants' claim that this Court did not have jurisdiction of the subject of the action. In his decision of July 18, 1957, Judge Leach found that plaintiff was not seeking merely an advisory opinion from this Court, as to what constituted the unauthorized practice of the law, but was asking for a declaratory judgment which would settle the "justiciable controversy" which existed between the parties. We quote several parts of that decision:

> "It is clear that under the Declaratory Judgment Act there must be a 'justiciable controversy,' a 'legal relationship,' or a 'right-duty relationship' between the parties in order to permit the rendition of a declaratory judgment.
>
> "* * *
>
> "We conclude from these cases that the defendants, having the authority to protect against the alleged invasion of their own rights as members of the Bar of Ohio, have a sufficient 'adverse' interest in the question presented to bring such matter within the scope of a 'justiciable controversy' as contrasted to a mere advisory opinion, if the other requirements of a declaratory judgment are found to exist. One of such requirements is that the issue be 'ripe' for decision.
>
> "* * *
>
> "* * * the defendants have gone beyond the stage of merely advising the plaintiff that a serious question existed, but instead have taken a definite position that the activities of the plaintiff do actually constitute the unauthorized practice of law and have directed the plaintiff to discontinue the same. In our opinion this presents a 'controversy' between parties who have a direct and legally protectable interest therein and one which is 'ripe' for decision."

The evidence in this case supports the allegations of the petition as to the "controversy" between the parties.

We concur in the findings and decision of Judge Leach, that a "justiciable controversy" exists between the plaintiff and these defendants; and, therefore, the fifth defense is not valid.

6. *That defendants deny that the entering by this Court of a judgment declaring the rights and status of the parties hereto will terminate any controversy which may have given rise to this proceeding.*

In view of our comments concerning defendants' fifth defense, we deem it unnecessary to dwell at length upon the matters suggested in the sixth defense. We believe any declaratory judgment on the "judiciable controversies" existing between the parties would terminate such controversy. The sixth defense is not valid.

7. *That the services performed by plaintiff for others constitute the unauthorized practice of law.*

This defense raises the principal question in this case.

In case No. 196,819 this Court rendered its decision on July 20, 1960 (see 84 ABS 161), in which it found that Battelle Memorial Institute was performing certain legal services for Sponsors, which constituted an unauthorized practice of the law, and enjoined it, through its employees, from further so engaging in such unauthorized practice. To avoid duplication and repetition we incorporate by reference that decision and make it a part of this decision.

That decision did not comment upon, or distinguish between, legal services of employees of Battelle rendered generally, and services of members of the patent section before the Patent Office, as described in paragraphs 12, 13 and 14 of plaintiff's petition. We shall consider the latter type of service.

Plaintiff points out the supremacy of the federal government over the state of Ohio, under Article VI of

the U. S. Constitution, in regard to practice in the U. S. Patent Office.

At the outset, we readily admit that the power to determine what persons may practice in the U. S. Patent Office is exclusively a power vested in Congress. (Section VIII, Article I, and Article VI, U. S. Constitution.) Such power is exercised by the Commissioner of Patents.

The federal government has exclusive power and control over the issuance of patents. The U. S. Patent Office has been held to be an administrative agency. Nonlawyers are admitted to practice before the U. S. Patent Office, so long as they qualify to practice before it.

We do not presume to comment upon the services which employees of plaintiff perform outside the state of Ohio, and specifically in the U. S. Patent Office in Washington, D. C. We shall, therefore, limit our discussion to alleged legal services performed by employees of plaintiff in Ohio.

At the trial of this case no effort was made to differentiate between the services rendered by members of the patent section of plaintiff, who were attorneys duly admitted to practice law in Ohio, and the services rendered by those attorneys who were not so admitted. Likewise, there was no effort made to point out which services were performed by nonlawyers employed by plaintiff in its patent section and which services were performed by attorneys duly admitted to practice law in Ohio. We will, therefore, presume that the services complained of were services performed by attorneys in the employ of plaintiff, who were duly admitted to practice law in Ohio, and will limit our comments with reference thereto.

In our decision of July 20, 1960, in case No. 196,819 (84 ABS 161), in this Court, we described generally the

kind of work done by the legal department of plaintiff, most of which could be classified as office work. We mentioned that the attorneys prepared opinions and legal instruments, composed letters in connection therewith, made reports, prepared briefs and prepared documents to be filed in the U. S. Patent Office in connection with applications for patents and inventions. While we did not attempt to further detail the specific work of such attorneys we did refer to the application of the committee filed in case No. 196,819, and appended to the decision therein a copy thereof, which described in considerable detail the services which the committee alleged were being performed by plaintiff's attorneys. We do not make a finding that each and every service therein described was actually so performed, but there was very little evidence produced at the hearing to refute the contention that plaintiff, through its attorneys, was performing services of the type therein described, and that in the main such services were actually performed in Ohio.

In our decision of July 20, 1960, we held that attorneys for plaintiff were performing legal work when they drafted contracts, applications, affidavits and assignments, when they rendered opinions as to patentability, infringement and interference, and when they gave advice as to the rights and duties of persons and corporations. (See *Land Title Abstract & Trust Co. v. Dworken*, 129 Oh. St. 23.) The fact that many of these services were directly related to the obtaining of patents and inventions does not change the character of such services from legal services to non-legal services. (See *Marshall v. New Inventor's Club, Inc.*, 69 Oh. Ap. 578.)

The power to license persons to practice law is one of the police powers of each state. (*Bradwell v. Illinois*, 83 U. S., 130; *In re Summers*, 325 U. S. 561.)

The power to admit a person to the practice of law is a judicial power, and is not a legislative power. (*In Ex Parte Garland*, 71 U. S., 333.) This statement is true even though the Legislature of Ohio has passed such statutes as § 4705.01 R. C., which limits the practice of law to attorneys who are admitted to the Bar by order of the Supreme Court. (See *Judd v. City Trust & Savings Bank*, 133 Oh. St. 81; *Steer v. Land Title Guarantee & Trust Company*, 133 N. E. (2d), 763; *Dworken v. Guarantee Title & Trust Company*, 12 Abs. 399; *In re Bailey*, 73 Abs. 343.)

The power to regulate, control and define the practice of law rests inherently in the judicial branch of the government. (*Judd v. City Trust & Savings Bank*, 133 Oh. St. 81; *Dworken v. Guarantee Title & Trust Co.*, 12 Abs. 399, affirmed in 129 Oh. St. 23.)

No agency of the federal government can dictate, define or limit the practice of law in Ohio. This statement is not incompatible with the position of Battelle that the power to control and regulate patents stems from the Constitution of the United States and is defined by acts of Congress, which empower the Commissioner of Patents to adopt regulations and rules regarding practice before the Patent Office. (See Section 8, Article I, and Article VI of the Constitution of the United States.)

Battelle insists that, when its employees who work in its patent section perform duties leading to the obtaining of a patent or an invention, those duties fall within the definition of practice before the Patent Office which is an administrative agency, and which takes them out of the category of practice of the law. We do not agree that the definition of the practice of law is controlled by the agency under which the work is performed. It is incorrect to say that all work performed in connection with the obtaining of a patent or invention is necessarily non-legal, or is

necessarily not the practice of law, simply because it is done under rules and requirements of an administrative agency such as the Patent Office.

The work done before an administrative agency may or may not constitute the practice of law. If it does constitute the practice of law, and is done in Ohio, it must be done by attorneys who are duly licensed to practice law in Ohio. This requirement is in addition to any other proper qualifications or conditions which may be required of or imposed upon those who seek to practice before the Patent Office.

In conclusion, we hold that plaintiff is entitled to have this Court enter a declaratory judgment as to whether certain activities of plaintiff's patent section do or do not constitute the unauthorized practice of law.

In case No. 196,819, by agreement tried with the instant case, we ruled that Battelle Memorial Institute, acting through its employees assigned to its patent section, did perform certain legal services for Sponsors, which constituted the unauthorized practice of the law. The findings made in case No. 196,819 have been incorporated by reference as findings in the instant case.

In case No. 196,819 we enjoined plaintiff from further engaging in the acts which we found to constitute the unauthorized practice of the law.

In so ruling, we recognize the fact that the practice in the U. S. Patent Office is controlled by the federal government, that the federal Constitution deals with the subject of patents, that Congress has enacted legislation with reference thereto, and that the U. S. Patent Office was established with broad rule-making powers to handle patent matters.

We do not in any way interfere with the work of the Patent Office, nor with those who practice before it, by our

ruling in this case. We deal exclusively with the subject of the practice of the law in Ohio, and restrict such practice to those who have qualified to practice law in this state.

We maintain that the state of Ohio has the right to say what constitutes the practice of the law in Ohio, to prescribe the qualifications of those who may be allowed to practice law in Ohio, and to issue licenses to practice law in Ohio to those it finds are so qualified.

We do not recognize any authority outside this state to dictate to this state what constitutes the practice of law in Ohio, nor to say who may be entitled to receive a license from this state to practice law in this state.

A declaratory judgment may be entered accordingly.

Judgment accordingly.

JOURNAL ENTRY OF THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY, NO. 197,718.

This day this cause came on to be heard upon the pleadings, the evidence, the statements of counsel, and the briefs.

Upon consideration whereof, the Court finds that it has jurisdiction to enter a declaratory judgment as to whether certain activities of plaintiff, herein referred to as "Battelle," acting through its employees who are members of its legal department or patent section, do or do not constitute the unauthorized practice of law; that a justiciable controversy exists between the plaintiff and defendants which can be resolved by this Court by entering a judgment declaring the rights and status of the parties hereto, which will terminate the controversy which gave rise to this action.

Accordingly, the Court finds and declares as follows:

(1) When salaried members of the legal department or patent section of Battelle, who are employed to perform recognized legal services for Battelle in connection with application for, or work in connection with, the obtaining of patents or inventions, cease to perform such legal services exclusively for Battelle and perform them for industrial sponsors of Battelle, this constitutes an unauthorized practice of the law.

(2) When salaried members of the Legal Department or Patent Section of Battelle perform legal services in connection with an application for, or work in connection with, the obtaining of a patent or invention after an industrial sponsor of Battelle has requested an assignment of any such patent or invention under the terms of the sponsor-Battelle contract, whether by execution of a formal written election or by any other form of expressing its intent to acquire such patent or invention, they are no longer performing such legal services exclusively for Battelle but are in fact performing such legal services for such industrial sponsor, which constitutes an unauthorized practice of the law.

(3) From the evidence adduced at the hearing of this cause, the Court finds that certain of the salaried members of the Legal Department or Patent Section of Battelle have performed legal services in connection with applications for, or work in connection with, the obtaining of patents or inventions after an industrial sponsor of Battelle has expressed its intent to seek an assignment of such patents and inventions under the terms of the sponsor-Battelle Contract, and that such legal services are for the industrial sponsors and constitute the unauthorized practice of law.

(4) The power to determine what persons may practice in the U. S. Patent Office is exclusively a power vested in Congress.

(5) A person is performing legal work when he performs such services as the drafting of contracts, applications for letters patent, amendments to applications for letters patent, affidavits and assignments, when he renders opinions as to the patentability, validity, infringement and interference in relation to inventions and patents, when he negotiates and drafts license agreements, and when he gives advice as to the rights and duties of persons and corporations and the fact that such services may be related to patents and inventions does not change the character of such services from legal services to non-legal services.

(6) The powers to license persons to practice law is one of the police powers of each state.

(7) The power to admit a person to the practice of law is a judicial power and not a legislative power.

(8) The power to regulate, control and define the practice of law rests inherently in the judicial branch of the government.

(9) No agency of the federal government can dictate, define or limit the practice of law in Ohio.

(10) It is incorrect to say that all work performed in connection with the obtaining of a patent or invention is necessarily non-legal, or is necessarily not the practice of law, simply because it is done under the rules and requirements of an administrative agency such as the Patent Office.

(11) The work done before an administrative agency may or may not constitute the practice of law, but if it does constitute the practice of law, and is done in Ohio, it must

be done by persons who are duly licensed to practice law in Ohio.

(12) The State of Ohio has the right to say what constitutes the practice of law in Ohio, to prescribe the qualifications of those who may be allowed to practice law in Ohio, and to issue licenses to practice law in Ohio to those it finds are so qualified.

(13) The fact that under the rules of the Patent Office non-lawyers may be admitted to practice before such office does not in any way affect the determination by an Ohio court as to whether the performance of certain acts in the patenting of inventions constitutes the practice of law.

Costs shall be paid by Battelle.

To the foregoing findings, declarations and judgment, both parties except.

s/ GEORGE B. MARSHALL
Judge.

OPINION OF THE COURT OF APPEALS OF FRANKLIN COUNTY, NOS. 6704 AND 6705.

(Rendered on February 13, 1962.)

IN THE COURT OF APPEALS

OF FRANKLIN COUNTY, OHIO.

No. 6704.

BATTELLE MEMORIAL INSTITUTE,

Plaintiff-Appellant,

v.

MERRITT W. GREEN, *et al.*,

Defendants-Appellees.

No. 6705.

IN THE MATTER OF THE UNAUTHORIZED PRACTICE OF LAW IN FRANKLIN COUNTY,
IN RE: BATTELLE MEMORIAL INSTITUTE,

Respondent-Appellant.

RUTHERFORD, J., of the Fifth Appellate District, sitting by designation.

Two separate appeals have been combined for hearing, we will consider both in this opinion.

The first is an appeal on questions of law from a judgment in case No. 197,718 in the Common Pleas Court of Franklin County, Ohio, and is here on appeal as case No. 6704. This case was brought by Battelle Memorial Institute v. Merritt W. Green and thirty other persons, being the duly appointed, authorized and acting members of the Unauthorized Practice of Law Committee of the Ohio State Bar Association and as representatives of Ohio lawyers so numerous that it is impractical to bring them

all before the court. In this action Battelle Memorial Institute sought a declaratory judgment declaring that services performed by Battelle through members of its patent section do not constitute the unauthorized practice of law.

The second appeal is also on question of law, being from a judgment in case No. 196,819 in the Common Pleas Court of Franklin County, Ohio, and is here on appeal as case No. 6705. This case, which is captioned "In the Matter of the Unauthorized Practice of Law in Franklin County, Ohio; In re: Battelle Memorial Institute," was commenced upon application to the Court of Common Pleas of Franklin County, by a committee appointed by said court with instructions to make an inquiry and investigation as to whether persons, firms or corporations are engaged in the unauthorized practice of law in Franklin County.

The charge, as contained in the application, is that Battelle Memorial Institute, although not qualified to practice law and not admitted to the practice of law in Ohio, is nevertheless, engaged in the practice of law in Ohio; wherefore, it was prayed that the court issue an order restraining and enjoining said Battelle Memorial Institute from engaging in the practice of law.

In each case the opinion, as rendered by the Common Pleas Court, has been published. One opinion appears in 84 Ohio Law Abs., 161, and the other in 84 Ohio Law Abs., 353. Pertinent facts, as set forth by the Common Pleas Court, and as disclosed by the evidence, concerning the organization of Battelle are:

> Battelle is a nonprofit corporation, organized to conduct scientific research for itself, for the United States Government, and for clients engaged in private industry, called "Sponsors." The complaint of un-

authorized practice of law is limited to acts performed in connection with such "Sponsors," and solely to acts relating to patents.

Battelle has a staff of some 2,300 employees, about 1,200 of whom are scientists. It has some fifty divisions divided into seven departments. Its total business in 1959 was about $23,000,000.

The legal department of Battelle consists of seven members. Five members of this department are licensed to practice law in Ohio, and one is a lawyer admitted to practice in Colorado.

The legal department contains a patent section which specializes in the field of inventions and patents. Four men devote all their time to patent matters, and two devote about half of their time. Four members of the legal department (all attorneys) are registered in the U. S. Patent Office under the firm name of Gray, Mase and Dunson.

Because of the possibility that research of any kind might, and often does, include the possibility of a new invention and the obtaining of a new patent, every employee of Battelle, before being hired, is required to sign an agreement which obligates the employee to assign any and all inventions made by such employee to Battelle.

Every agreement with an industrial sponsor refers to Battelle's agreement with its employees, which requires them to assign their inventions to Battelle, and includes (in the agreement with such sponsor) a provision that if an invention is made during the course of the research on sponsor's project Battelle will notify the sponsor of this fact and permit the sponsor, at its election, to have such application and all rights to the invention assigned by Battelle to such sponsor. If the sponsor does not elect to exercise its option, Battelle remains the owner of the invention (after assignment by the inventor) and would normally complete the patent. The patent section files and processes the application for a patent until such

time as a sponsor elects to take an assignment thereof. In such event, the sponsor has the option of permitting Battelle to continue until the patent is obtained and actually assigned to the sponsor or of further processing the application with counsel of its own choosing.

The members of the legal department of Battelle are paid salaries by Battelle. By agreement with each sponsor, the expense of each project is paid by the sponsor. The time spent by each staff member of Battelle on each project, including scientists and members of the patent section, is kept and charged to the sponsor at a rate based upon the salary being paid to the persons performing the services.

The only tribunal in which members of the patent section work is the U. S. Patent Office. They appear in no courts of law, nor do they participate in any court proceedings.

The Common Pleas Court, in the declaratory judgment action, first found that a justiciable controversy did exist and then rendered judgment declaring as follows:

"(1) When salaried members of the legal department or patent sections of Battelle, who are employed to perform recognized legal services for Battelle in connection with applications for, or work in connection with, the obtaining of patents or inventions, cease to perform such legal services exclusively for Battelle and perform them for industrial sponsors of Battelle, this constitutes an unauthorized practice of the law.

(2) When salaried members of the Legal Department or Patent Section of Battelle perform legal services in connection with an application for, or work in connection with, the obtaining of a patent or invention after an industrial sponsor of Battelle has requested an assignment of any such patent or invention under the terms of the sponsor-Battelle contract, whether by execution of a formal written election or by any other form of expressing its

intent to acquire such patent or invention, they are no longer performing such legal services exclusively for Battelle but are in fact performing such legal services for such industrial sponsor, which constitutes an unauthorized practice of the law.

(3) From the evidence adduced at the hearing of this cause, the Court finds that certain of the salaried members of the Legal Department or Patent Section of Battelle have performed legal services in connection with applications for, or work in connection with the obtaining of patents or inventions after an industrial sponsor of Battelle has expressed its intent to seek an assignment of such patents and inventions under the terms of the sponsor-Battelle Contract, and that such legal services are for the industrial sponsors and constitute the unauthorized practice of law.

(4) The power to determine what persons may practice in the U. S. Patent Office is exclusively a power vested in Congress.

(5) A person is performing legal work when he performs such services as the drafting of contracts, applications for letters patent, amendments to applications for letters patent, affidavits and assignments, when he renders opinions as to the patentability, validity, infringement and interference in relation to inventions and patents, when he negotiates and drafts license agreements, and when he gives advice as to the rights and duties of persons and corporations and the fact that such services may be related to patents and inventions does not change the character of such services from legal services to non-legal services.

(6) The power to license persons to practice law is one of the police powers of each state.

(7) The power to admit a person to the practice of law is a judicial power and not a legislative power.

(8) The power to regulate, control and define the practice of law rests inherently in the judicial branch of the government.

(9) No agency of the federal government can dictate, define or limit the practice of law in Ohio.

(10) It is incorrect to say that all work performed in connection with the obtaining of a patent or invention is necessarily non-legal, or is necessarily not the practice of law, simply because it is done under the rules and requirements of an administrative agency such as the Patent Office.

(11) The work done before an administrative agency may or may not constitute the practice of law, but if it does constitute the practice of law, and is done in Ohio, it must be done by persons who are duly licensed to practice law in Ohio.

(12) The State of Ohio has the right to say what constitutes the practice of law in Ohio; to prescribe the qualifications of those who may be allowed to practice law in Ohio, and to issue licenses to practice law in Ohio to those it finds are so qualified.

(13) The fact that under the rules of the Patent Office non-lawyers may be admitted to practice before such office does not in any way affect the determination by an Ohio court as to whether the performance of certain acts in the patenting of inventions constitutes the practice of law."

In the unauthorized practice of law action the Common Pleas Court made similar holdings to those declared in the declaratory judgment action and then rendered judgment permanently enjoining Battelle Memorial Institute, acting through its officers, agents, and/or employees from further engaging in the unauthorized practice of law as hereinbefore set forth, for industrial sponsors of Battelle.

Battelle Memorial Institute has appealed from the judgments upon questions of law in each case.

Several errors were assigned, a principal one in each case being that the trial court erred in failing to hold that the federal government has exclusive power and control over admissions to practice in the U. S. Patent Office, so as to preclude any state from interfering therein.

Cross assignments of error were filed in case No. 6704 on the ground that the trial court erred in overruling defendants' motion for a judgment of dismissal in the declaratory judgment action, at the conclusion of the evidence by refusing to conclude that there was no controversy ripe for decision, that there did not exist a justiciable issue, that the controversy therein could not be terminated, and that the petition and the evidence did not establish a cause of action.

The Constitution of the United States provides:

Article I, Sec. 1. "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives."

Sec. 8. "The Congress shall have the power to * * * promote the Progress of Science and Useful Arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries * * *."

Article VI. "This Constitution and the Laws of the United States which shall be made in pursuance thereof, * * * shall be the supreme Law of the Land; and the judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding."

Amendment X. "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or the people."

Under the power specifically delegated to Congress by Article I, Sec. 8 of the United States Constitution, Congress enacted the provisions of Title 35 U.S.C.A. Sec. 31 and Sec. 32 in regard to Practice before the Patent Office.

Title 35, Sec. 31. "The Commissioner, subject to the approval of the Secretary of Commerce, may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office, and may require them before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office."

Title 35, Sec. 32. "The Commissioner may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before the Patent Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 31 of this title, or who shall by word, circular, letter or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective business before the Office. The reasons for any such suspension or exclusion shall be duly recorded. The United States District Court for the District of Columbia, under such conditions and upon such proceedings as it by its rules determines, may review the action of the Commissioner upon the petition of the person so refused recognition or so suspended or excluded."

Title 35, Sec. 33. "Whoever, not being recognized to practice before the Patent Office, holds himself out or permits himself to be held out as so recognized, or

as being qualified to prepare or prosecute applications for patent, shall be fined not more than $1,000 for each offense."

Title 35, Sec. 152. "Patents may be granted to the assignee of the inventor of record in the Patent Office, upon the application made and the specification sworn to by the inventor, except as otherwise provided in this title."

Under authorization from Congress the Commissioner of Patents has enacted rules governing practice before the Patent Office.

Rule 31. "Applicants may be represented by an attorney or agent. An applicant for patent may file and prosecute his own case, or he may be represented by an attorney or agent authorized to practice before the Patent Office in patent cases * * *."

Rule 32. "Prosecution by assignee. The assignee of record of the entire interest in an application for patent is entitled to conduct the prosecution of the application to the exclusion of the inventor."

Rule 341 (c). "Requirements for registration. No person will be admitted to practice and registered (sic) unless he shall apply to the Commissioner of Patents in writing on a prescribed form supplied by the Commissioner and furnish all requested information and material; and shall establish to the satisfaction of the Commissioner that he is of good moral character and of good repute and possessed of the legal and scientific and technical qualifications necessary to enable him to render applicants for patents valuable service, and is otherwise competent to advise and assist them in the presentation and prosecution of their applications before the Patent Office. In order that the Commissioner may determine whether a person seeking to have his name placed upon either of the registers has the qualifications specified, satisfactory proof of good moral character and repute, and

of sufficient basic training in scientific and technical matters must be submitted and an examination which is held from time to time must be taken and passed. The taking of an examination may be waived in the case of any person who has actively served for four years in the examining corps of the Patent Office."

Rule 348. "Suspension or disbarment proceedings. Except as otherwise provided, proceedings for suspension, disbarment, or exclusion from practice are be[illegible] a Commissioner.

(a) Investigating and prosecuting officer. The duties of investigation, preparing charges, collecting and presenting testimony, and presenting a case for suspension, exclusion from practice or disbarment shall be performed by the Solicitor of the Patent Office or, at his direction, by a designated law examiner or other person, and neither the Solicitor nor such law examiner or other person shall participate in any manner in the decision of the case. If, upon investigation of a complaint or other information concerning an attorney or agent, it shall appear to the Solicitor that the grounds for suspension, exclusion from practice, or disbarment exist, he shall prepare and forward the necessary notice and statement."

The requirements for admission to practice before the United States Patent Office make it clear that skill in engineering and scientific matters and familiarity with patent procedures are as necessary as skill in legal matters, and persons who are not attorneys may qualify for admission as agents.

Normally, the practice of law is controlled exclusively by the judiciary. The reason why lawyers are officers of the court, and therefore subject to the control of the court is that they are admitted by order of the court. However, persons admitted to the practice of law by the Ohio courts are not thereby qualified or authorized to practice in patent

matters before the U. S. Patent Office. This power has been reserved by the United States Constitution to Congress, and in turn by Congress it has been granted only to the Commissioner of Patents. This leaves the Ohio courts in the position of being unable to exercise control over that which they do not have the power to authorize in the first instance.

The case of *The Land Title Abstract and Trust Co. v. Dworken*, 129 Ohio St., 23, and other cases dealing with practice of law, as distinguished from practice before the United States Patent Office, are not relevant, not being cases in which a superior right has been retained in the federal government by the United States Constitution.

Were the courts of each state to control practice before the United States Patent Office, thus usurping a right to control that which they cannot authorize in the first instance, by considering it to constitute the practice of law within their state; then the courts of the 50 states, by ignoring the provisions of Article VI of the United States Constitution, *supra*, could render the provisions of Congress in regard to practice before the Patent Office as enacted under the provisions of Article I, Section 8, of the United States Constitution, *supra*, a nullity.

It is our finding that the Commissioner of Patents, from the standpoint of unauthorized practice, has the exclusive right to determine whether the patent matters, in which Battelle participates through attorneys or agents employed by Battelle, are matters which constitute the business of Battelle due to a direct or primary interest of Battelle therein, or of Battelle by virtue of rights as an assignee as provided for under Title 35, Section 152, or Rule 32, *supra*, and whether Battelle is engaged in unauthorized practice before the Patent Office.

For the reasons set forth, we conclude that control of

practice before the U. S. Patent Office is a superior right vested exclusively by the United States Constitution and by acts of Congress in the Commissioner of Patents, subject to appeal to the federal courts, and the state courts, by virtue of Article VI of the United States Constitution, are bound hereby and preclude from interfering.

There is, however, a distinction to be made between the right of the federal government to control practice in patent matters and the right of a state to control acts of a corporation, incorporated under the laws of the state. The power to authorize persons to incorporate has not been delegated to the United States by the Constitution, nor prohibited by it to the states. Therefore, under the provisions of Amendment X of the United States Constitution, the right to provide for incorporation, and to determine what acts corporations shall be authorized to perform, is reserved to the states respectively. The state legislatures, under authority as granted by their respective state constitutions, have the power to determine, by general laws, for what purposes corporations may be formed. The states could prohibit incorporation entirely within their respective limits should they see fit to do so.

Battelle Memorial Institute was incorporated in 1925, under the provisions of Section 10092-1, General Ohio (*sic*), as a charitable trust not for profit as provided for in the Will of Gordon Battelle, deceased. At the time of incorporation in 1925, Section 8623, of the General Code, was in effect and provided:

> "Except for carrying on professional business, a corporation may be formed for any purpose for which natural persons lawfully may associate themselves."

A similar provision is contained today in Section 1701.03, of the Revised Code, which provides:

"A corporation may be formed for any purpose or purposes, other than for carrying on the practice of any profession, for which natural persons lawfully may associate themselves * * *."

It thus appears that the Ohio legislature, which does have the right to enact general laws under which corporations may be formed (Ohio Constitution, Art. 8, Sec. 2), has, by statute, precluded persons from incorporating for the purpose of carrying on "professional business" or "the practice of any profession." We will not discuss Section 1785.02, Revised Code, since it has no application to the facts of the instant cases.

Section 1701.04, Revised Code, now repealed, referred to in Battelle Memorial Institute's petition, would not be applicable in the instant cases. Section 8623, General Code, and Section 1704.03, Revised Code, have application to all corporations, but Section 1704.04, Revised Code, when in effect, was applicable only to corporations for profit, and would not include Battelle Memorial Institute, a corporation not for profit.

After consideration of this entire matter, we come to the conclusion that there are two ways of questioning the practices of Battelle, the first being to question whether Battelle is engaged in unauthorized practice in patent matters, as to which the exclusive right of control is vested by the United States Constitution in Congress, and, in turn, by act of Congress in the United States Patent Office; and the second being to question whether the acts of Battelle are ultra virles acts which are prohibited under the Ohio statutes governing corporations, which statutes the Ohio legislature has power to enact and the Ohio courts have jurisdiction to enforce.

If the practices of Battelle, carried on through its agents or attorneys, in matters as to which the right of

control has been reserved by the United States Constitution and Congress in the Commissioner of Patents, are to be questioned as being unauthorized practice in patent matters, the proceedings must be brought not before the Ohio courts but in the manner provided for by the acts of Congress passed under authority of Section 8, Article I, of the United States Constitution and Rules of the Patent Commissioner, authorized by acts of Congress, as hereinbefore set forth. This power in the federal government is exclusive and a superior right granted by the United States Constitution to Congress and, in turn, by Congress to the Commissioner of Patents, and the judges in every state are bound thereby.

If the acts of Battelle are to be questioned as being practices which are prohibited to Battelle as a corporation, by virtue of the Ohio statutes governing incorporation, then the action must be brought—

(a) In quo warranto as provided for under the provisions of Section 2733.01 et seq., Revised Code, which action can be commenced only in the Court of Appeals or the Supreme Cort of Ohio in the manner as provided by said Section.

(b) By a proceeding to enjoin Battelle, as a corporation, from ultra viries practices in an action commenced by persons authorized to practice as agents or attorneys before the United States Patent Office, who have a vested interest to protect.

In the case of *Abstract and Trust Co. v. Dworken*, 129 Ohio St., 23, the Supreme Court of Ohio, in paragraph seven of the syllabus, held:

"The right to practice law conferred by the state is a special privilege in the nature of a franchise and a possessor thereof may be protected by injunction from invasion of the right thus vested in him."

Practices before the United States Patent Office would not be an invasion of a right vested in an attorney by virtue of his franchise to practice law in Ohio, since such franchise to practice law in Ohio does not authorize practice before the United States Patent Office in patent matters; but from the logic of paragraph seven of the foregoing syllabus, it would follow that the right to practice as an attorney or agent before the United States Patent Office, as granted by the Patent Commissioner, under act of Congress, may confer a special privilege in the nature of a franchise, the possessor of which may seek protection by injunction from the invasion of the right thus vested in him; such action to be brought in a federal court if the invasion to be enjoined is unauthorized practice before the patent office, or in the state court of the state of incorporation, if the act is to be enjoined not as unauthorized practice but as the commission of an ultra viries act by a corporation.

We point out the foregoing not to state what can or should be done or to here determine in advance the validity of such proceedings, since to do so would be obiter dicta; but to point out that neither of the instant cases can be considered as quo warranto proceedings because neither was brought in compliance with the Ohio statutes governing such proceedings; also, to point out that if an injunction is sought in Ohio courts it must not be on the ground of unauthorized practice of law, as such, but on the ground that the acts of the corporation are ultra viries and prohibited, and that an injunction proceeding cannot be commenced by attorneys franchised to practice only in Ohio; but must be commenced by agents or attorneys authorized to practice before the United States Patent Office, who are vested with a franchise right which is being invaded. In neither of the cases before us was there an al-

legation or evidence that all or any one of the members of the unauthorized practice of law committee against whom the declaratory judgment action was filed, or by whom the application in the unauthorized practice of law action was filed, are franchised to practice as either agents or attorneys in matters before the United States Patent Office.

If an action is brought in Ohio, either by quo warranto proceedings, or by agents or attorneys authorized to practice before the United States Patent Office seeking injunctive relief, the first question will be whether as to the acts performed, Battelle has a direct or primary interest so as to authorize the performance of the acts by Battelle on its own behalf, as distinguished from acts performed for others. If it is determined that Battelle does not have a direct or primary interest in the acts performed, then the ultimate question will be: Not whether Battelle is engaged in "unauthorized practice of law," but whether Battelle is engaged in "professional business" or the "practice of a profession" within the meaning of Section 8623, General Code and Section 1701.03, Revised Code.

Neither of the cases herein appealed can meet the requirements of a proceeding in quo warranto, or of a proceeding for injunction commenced by a party having a vested interest alleged to be invaded. Neither case was so treated in the Common Pleas Court and, therefore, in neither case did the Common Pleas Court make any determination of the ultimate issue in such cases, to wit: Whether the practice complained of was an ultra vires act prohibited to the corporation, within the terms of the Ohio corporation statutes. The cases were filed and considered not under the Ohio statutes governing corporations, but solely from the standpoint of unauthorized practice of law

in patent matters as to which the superior right is vested in the United States by the United States Constitution, by the provisions of which the courts of Ohio are bound.

It is our conclusion and finding that in case No. 197,718 in the Common Pleas Court of Franklin County, being case No. 6704 in this court, there was not a proper justiciable issue between proper and necessary parties. It will be ordered that the judgment of the Common Pleas Court be set aside and held for naught, and that the petition of Battelle Memorial Institute, appellant herein, be dismissed at costs of Battelle Memorial Institute.

In case No. 196,819, in the Common Pleas Court of Franklin County, being case No. 6705 in this court, the Common Pleas Court did not have jurisdiction by means of the issue raised and the judgment rendered to interfere with the superior right granted to Congress by the United States Constitution. The action was not a proper one brought by proper and necessary parties and the judgment of the Common Pleas Court is ordered set aside and held for naught, and the application is ordered dismissed at costs of the members of the unauthorized practice committee who filed it.

In case No. 6704, judgment of the Common Pleas Court is set aside and petition dismissed.

In case No. 6705, judgment of the Common Pleas Court is set aside and application dismissed.

McLAUGHLIN, P.J., of the Fifth Appellate District, sitting by designation, concurs.

HILDEBRANT, J., of the First Appellate District, sitting by designation, dissents.

JOURNAL ENTRY OF THE COURT OF APPEALS OF FRANKLIN COUNTY, NO. 6705.

This cause came on to be heard upon the Assignments of Error, Bill of Exceptions, transcript of the proceedings and the briefs and arguments of counsel, and the Court being duly advised in the premises finds that the order of the Common Pleas Court should be set aside and the application of the Committee of the Common Pleas Court dismissed.

Accordingly, it is ordered, adjudged and decreed that the order of the Common Pleas Court be and the same hereby is set aside, that the injunction herein be and the same hereby is dismissed and bond discharged, that the application of the Court's Committee be and the same hereby is dismissed and that the Respondent-Appellant recover its costs herein expended.

Signed LELAND RUTHERFORD,
s/ D. DEANE MCLAUGHLIN,
Judges.

Judges MCLAUGHLIN, P.J., and RUTHERFORD, J., of the Fifth Appellate District, sitting by designation.

JOURNAL ENTRY OF THE COURT OF APPEALS OF FRANKLIN COUNTY, NO. 6704.

This cause came on to be heard upon the Assignment of Error, Bill of Exceptions, transcript of the proceedings and the briefs and argument of counsel, and the Court, being duly advised in the premises, finds that the judgment of the Common Pleas Court should be set aside and the petition dismissed.

Accordingly, it is ordered, adjudged and decreed that the judgment of the Common Pleas Court be and the same

hereby is set aside, that Plaintiff-Appellant's petition be and the same hereby is dismissed, and that Defendants-Appellees recover their costs herein expended.

LELAND RUTHERFORD /s/
D. DEANE MCLAUGHLIN /s/
Judges

RULING OF THE SUPREME COURT OF OHIO, 175 O. S. 132.

The appeal as of right herein is dismissed for the reason that no debatable constitutional question is involved. See *Sperry* v. *State of Florida, ex rel. The Florida Bar*, U. S., , L. Ed. (2d),

Appeal dismissed.

TAFT, C.J., ZIMMERMAN, MATTHIAS, O'NEILL, GRIFFITH and HERBERT, JJ., concur.

GIBSON, J., not participating.

MOTION FOR AN ORDER DIRECTING THE COURT OF APPEALS FOR FRANKLIN COUNTY TO CERTIFY ITS RECORD.

It is ordered by the Court that this motion is overruled.

RULING OF THE SUPREME COURT OF OHIO.

(Entered June 12, 1963.)

This cause, here on appeal as of right from the Court of Appeals for Franklin County was heard in the manner prescribed by law and upon motion of the appellee to dismiss such appeal.

On consideration thereof, such appeal is dismissed for the reason that no debatable constitutional question exists herein.

It is further ordered that the appellee recover from the appellant costs herein expended; that a mandate be sent to the Court of Common Pleas to carry this judgment into execution; and that a copy of this entry be certified to the Clerk of the Court of Appeals for Franklin County for entry.

ORDER OF THE SUPREME COURT OF OHIO DENYING REHEARING.

(Entered July 3, 1963.)

It is ordered by the Court that rehearing in this case is denied.

CONSTITUTION OF THE UNITED STATES

Art. I, Sec. 8, cl. 8. The Congress shall have power * * * To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

Art. I, Sec. 8, cl. 18. The Congress shall have Power * * * To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

Art. VI, cl. 2. This Constitution, and the Laws of the United States which shall be made in Pursuance thereof

and all treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding.

TENTH AMENDMENT.

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

PATENT ACT OF 1952, c. 950, 66 STAT. 792 §§ 31-33, 35 U. S. C. §§ 31-33.

§ 31. The Commissioner, subject to the approval of the Secretary of Commerce, may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office.

§ 32. The Commissioner may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before the Patent Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 31 of this title, or who shall,

by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective applicant, or other person having immediate or prospective business before the Office. The reasons for any such suspension or exclusion shall be duly recorded. The United States District Court for the District of Columbia, under such conditions and upon such proceedings as it by its rules determines, may review the action of the Commissioner upon the petition of the person so refused recognition or so suspended or excluded.

§ 33. Whoever, not being recognized to practice before the Patent Office, holds himself out or permits himself to be held out as so recognized, or as being qualified to prepare or prosecute applications for patent, shall be fined not more than $1,000 for each offense.

RULES OF PRACTICE OF THE UNITED STATES PATENT OFFICE IN PATENT CASES. 24 F. R. 10332, 37 CFR §§ 1.31, 1.341-1.348.

§ 1.31. **Applicants may be represented by an attorney or agent.** An applicant for patent may file and prosecute his own case, or he may be represented by an attorney or agent authorized to practice before the Patent Office in patent cases. The Patent Office cannot aid in the selection of an attorney or agent.

§ 1.341. **Registration of attorneys and agents.** A register of attorneys and a register of agents are kept in the Patent Office on which are entered the names of all persons recognized as entitled to represent applicants before the Patent Office in the preparation and prosecution of applications for patent. Registration in the Patent Office under the provisions of these rules shall only entitle the persons registered to practice before the Patent Office

(a) *Attorneys at law.* Any attorney at law in good standing admitted to practice before any United States Court or the highest court of any State or Territory of the United States who fulfills the requirements and complies with the provisions of these rules may be admitted to practice before the Patent Office and have his name entered on the register of attorneys.

(b) *Agents.* Any citizen of the United States not an attorney at law who fulfills the requirements and complies with the provision of these rules may be admitted to practice before the Patent Office and have his name entered on the register of agents.

(c) *Requirements for registration.* No person will be admitted to practice and registered unless he shall apply to the Commissioner of Patents in writing on a prescribed form supplied by the Commissioner and furnish all requested information and material; and shall establish to the satisfaction of the Commissioner that he is of good moral character and of good repute and possessed of the legal and scientific and technical qualifications necessary to enable him to render applicants for patents valuable service, and is otherwise competent to advise and assist them in the presentation and prosecution of their applications before the Patent Office. In order that the Commissioner may determine whether a person seeking to have his name placed upon either of the registers has the qualifications specified, satisfactory proof of good moral character and repute, and of sufficient basic training in scientific and technical matters must be submitted and an examination which is held from time to time must be taken and passed. The taking of an examination may be waived in the case of any person who has actively served for four years in the examining corps of the Patent Office

(d) *Registration of firms.* Any firm, the individual members of which are each registered on the register of attorneys, may have its name entered upon the register of attorneys. Any firm, one of the individual members of which is registered on the register of agents and each of the remaining individual members are registered either on the register of attorneys or the register of agents, may have its name entered on the register of agents. If the membership of the firm is changed, application must be made for registration of the firm as changed.

(e) *Foreign patent attorneys and agents.* Any foreign patent attorney or agent not a resident of the United States who shall file proof to the satisfaction of the Commissioner that he is registered and in good standing before the patent office of the country in which he resides and practices, and is possessed of the qualifications stated in paragraph (c) of this rule, may be registered on the register of agents as entitled to represent applicants located in such country before the United States Patent Office in the presentation and prosecution of applications: *Provided*, That the patent office of such country allows substantially reciprocal privileges to those admitted to practice before the United States Patent Office. Such registration shall continue only during the period that the conditions specified obtain.

(f) *Government employees.* Officers and employees of the United States who are disqualified by statute (18 U. S. C. 281) from practicing as attorneys or agents in proceedings or other matters before Government departments or agencies, may not be registered, and if any registered attorney or agent becomes such an officer or employee, his name on the register shall be endorsed as inactive during the period of such employment. But officers or employees whose official duties require the preparation and prosecution of applications for patent may be registered

(on compliance with these rules) or recognized to practice to the extent necessary to carry out their official duties.

(g) *Former examiners.* No person who has served in the examining corps of the Patent Office will be registered after termination of his services, nor, if registered before such service, be reinstated, unless he undertakes (1) not to prosecute or aid in any manner in the prosecution of any application pending in any examining division in which he served, on the date he left said division; and (2) not to prepare or prosecute nor to assist in any manner in the preparation of prosecution of any application of another filed within two years after the date he left such division, and assigned to such division, without the specific authorization of the Commissioner. Associated and related classes in other divisions may be required to be included in the undertaking or designated classes may be excluded. In case application for registration or reinstatement is made after resignation from the Office, the applicant will not be registered, or reinstated, if he has prepared or prosecuted, or assisted in the preparation or prosecution of any such application as indicated in this paragraph.

(h) *Oath and registration fee.* Before his name may be entered on the register of attorneys or on the register of agents, every applicant for registration must, after his application is approved, subscribe and swear to an oath prescribed by the Commissioner of Patents and pay the prescribed registration fee. (See § 1.21.)

(i) *Committee on Enrollment.* The Commissioner may establish a Committee on Enrollment to receive and act upon applications for registration to practice before the Patent Office, to conduct and supervise the examinations provided for in paragraph (c) of this rule, to maintain the

registers and to perform such other duties in connection with enrollment and recognition of attorneys and agents as may be necessary; or such functions may be performed by designated officials of the Patent Office. Any action of such committee or official may be reviewed by the Commissioner.

§ 1.342. **Limited recognition.** Any person not registered and not entitled to be recognized under § 1.341 as an attorney or agent to represent applicants generally may, upon a showing of circumstances which render it necessary or justifiable, be recognized by the Commissioner to prosecute as attorney or agent a specified application or applications, but this limited recognition shall not extend further than the application or applications specified.

§ 1.343. **Persons not registered or recognized.** No person or firm not registered or specifically recognized as provided in § 1.342 will be permitted to prosecute applications of others before the Patent Office.

§ 1.344. **Professional conduct.** Attorneys and agents appearing before the Patent Office must conform to the standards of ethical and professional conduct generally applicable to attorneys before the courts of the United States.

§1.345. **Advertising.** (a) The use of advertising, circulars, letters, cards, and similar material to solicit patent business, directly or indirectly, is forbidden as unprofessional conduct, and any person engaging in such solicitation, or associated with or employed by others who so solicit, shall be refused recognition to practice before the Patent Office or may be suspended, excluded or disbarred from further practice.

(b) The use of simple professional letterheads, calling cards, or office signs, simple announcements necessitated

by opening an office, change of association, or change of address, distributed to clients and friends, and insertion of listings in common form (not display) in a classified telephone or city directory, and listings and professional cards with biographical data in standard professional directories shall not be considered a violation of this rule.

(c) No agent shall, in any material specified in paragraph (b) of this section or in papers filed in the Patent Office, represent himself to be an attorney, solicitor or lawyer.

§ 1.346. Signature and certificate of attorney. Every paper filed by an attorney or agent representing an applicant or party to a proceeding in the Patent Office must bear the signature of such attorney or agent, except papers which are required to be signed by the applicant or party in person (such as the application itself and affidavits required of applicants). The signature of an attorney or agent to a paper filed by him, or the filing or presentation of any paper by him, constitutes a certificate that the paper has been read; that its filing is authorized; that to the best of his knowledge, information, and belief there is good ground to support it; and that it is not interposed for delay. When an applicant or party is represented by a registered firm, such papers must carry the signature of the firm, or the signature of an individual member of the firm or an individual registered attorney or agent employed by the firm and duly authorized to sign on behalf of the firm in addition to the firm name, and the certification constituted by the signing or presentation of the paper shall be a certification by and on behalf of the firm and by the individual.

§ 1.347. Removing names from registers. Attorneys, agents, and firms, registered to practice before the Patent

Office, should notify the Office of any change of address for entry on the register, by letter separate from any notice of change of address filed in individual applications. The Office may address a letter to any person or firm on the registers, at the address of which separate notice for the register was last received, for the purpose of ascertaining whether such person or firm desires to remain on the register. The name of any person or firm failing to reply and give the information requested within a time limit specified will be removed from the register, and the names so removed published in the Official Gazette. Any name so removed may be reinstated, either on the register of attorneys or the register of agents, as may be appropriate.

§ 1.348. Suspension or disbarment proceedings. Except as otherwise provided, proceedings for suspension, disbarment, or exclusion from practice are before a Commissioner.

(a) *Investigating and prosecuting officer.* The duties of investigation, preparing charges, collecting and preserting testimony, and presenting a case for suspension, exclusion from practice or disbarment ll be performed by the Solicitor of the Patent Office or, at his direction, by a designated law examiner or other person, and neither the Solicitor nor such law examiner or other person shall participate in any manner in the decision of the case. If, upon investigation of a complaint or other information concerning an attorney or agent, it shall appear to the Solicitor that grounds for suspension, exclusion from practice, or disbarment exist, he shall prepare and forward the necessary notice and statement.

(b) *Notice of proceedings.* Proceedings for suspension or disbarment shall be instituted by the Solicitor by mailing to, or otherwise serving on, the respondent a

notice of such proceeding with a statement of the charges against him, at the same time forwarding a copy to the Commissioner. It shall be the duty of the respondent to answer the charges as specified in paragraph (c) of this rule.

(c) *Answer.* The respondent's answer shall be filed in writing with the Commissioner within thirty days from the time the notice is served on the respondent, or within such extension of time as may be allowed by the Commissioner for good cause shown. The answer shall be under oath. Failure to answer within the time allowed will be taken as an admission of the charges. The respondent in his answer should specifically admit or deny every material allegation of fact in the statement of charges; every allegation not denied shall be deemed admitted, unless the respondent states that he has no knowledge thereof sufficient to form a belief, which statement shall be considered a denial. Any special matters of defense shall be stated affirmatively in the answer. False statements in the answer may be made the basis of supplemental charges.

(d) *Hearing.* (1) Unless the Commissioner finds the answer sufficient to dispose of the charges, he will set the case for hearing before him, notifying the respondent and the Solicitor of the place, day and time of commencement of the hearing. Evidence as to the matters in issue may be submitted at the hearing, the testimony of witnesses being presented orally, under oath and reported.

(2) The hearing may be advanced and continued by the Commissioner, as far as may be deemed convenient and proper.

(3) Depositions for use at the hearing in lieu of personal appearance of witnesses may be taken by either

the Solicitor or the respondent on application to and with the written consent of the Commissioner within such times and under such conditions as the Commissioner may prescribe.

(e) *Hearing Officer.* The Commissioner may, in his discretion, delegate the conduct of the hearing to a hearing or trial examiner who shall be the presiding officer and who shall make a recommended decision.

(f) *Administrative Procedure Act.* Proceedings shall be governed, in matters not specially set forth herein, by the provisions of the Administrative Procedure Act, 60 Stat. 237; 5 U.S.C. 1001-1011, which may be applicable.

OHIO REVISED CODE.

Section 1701.04. "A corporation may be formed for any purpose or purposes other than for carrying on the practice of any profession * * *."

Section 4705.01. "No person shall be permitted to practice as an attorney and counsellor at law or to commence, conduct or defend any action or proceeding in which he is not a party concerned either by using or subscribing his own name or the name of another person unless he has been admitted to the bar by order of the Supreme Court in compliance with its prescribed and published rules."

RESPONDENT'S ASSIGNMENT OF ERRORS IN THE COURT OF APPEALS.

1. The Trial Court erred in failing to hold that the Federal Government has exclusive power and control over the issuance of patents, which precludes any State from prohibiting a citizen of the United States, admitted to practice in the U. S. Patent Office from practicing therein, on the ground that such practice is the unauthorized practice of law.

2. The Trial Court erred in failing to hold that practice before the U. S. Patent Office an administrative body does not constitute the practice of law.

3. The Trial Court erred in failing to hold that the services performed by members of Battelle's legal department were performed for Battelle in respect to matters in which Battelle had a real and substantial interest.

4. The Trial Court erred in holding in Paragraphs (1), (2) and (3) of its Journal Entry that the services of members of Battelle's legal department performed in respect to patent matters are "legal services."

5. The Trial Court erred in holding in Paragraphs (1), and (2) of its Journal Entry that when the members of Battelle's legal department ceased to perform services "exclusively" for Battelle—this constitutes the unauthorized practice of law.

6. The Trial Court erred in holding in Paragraphs (2) and (3) of its Journal Entry that patent services performed by members of Battelle's legal department after a sponsor "has requested an assignment" or has "expressed its intent to seek an assignment" of a patent constitute unauthorized practice of law.

7. The Trial Court erred in holding in Paragraph (5) of its Journal Entry that all the services are legal rather than non-legal services.

EXCERPT FROM ANSWER FILED BY BATTELLE.

11. Battelle avers that the Congress of the United States, by Title 35, Section 31, U. S. C. A., authorized the Commissioner of Patents, subject to the approval of the Secretary of Commerce, to prescribe regulations governing the recognition and conduct of agents, attorneys and other persons representing applicants or other parties before the Patent Office. Under Section 32 of Title 35, U. S. C. A., the Commissioner of Patents is authorized to suspend or exclude persons deemed unfit for practice before the Patent Office. Pursuant to the said statutes the Commissioner has adopted rules of practice which provide, among other things, that any citizen of the United States whether or not an attorney at law who fulfills the requirements and provisions of such rules may practice before the Patent Office. The United States Patent Office is an administrative office or agency and not a court or judicial body and proceedings before it and action taken in respect to patent matters and inventions do not constitute the practice of law.